

Effect of Leadership Style Practices on Employee Motivation in Case of Commercial Bank of Ethiopia Nekemte District

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Abstract

The purpose of the study was to investigate the effect of leadership style on employee motivation in Commercial Bank of Ethiopia Nekemte District. This study has employed explanatory research design in order to estimate the employee motivation from the three leadership style. It was designed to evaluate the extent of the three leadership style (autocratic, democratic, laissez-faire leadership) prediction about the employee motivation. The five point Likert scale questionnaires was used as the main data gathering tool. In order to meet the objective, the researcher was used simple random sampling techniques and data were collected from 197 participants. The collected data were analysed using mean, standard deviation; correlation and multiple linear regression analysis. The correlation coefficient finding has shown that the three explanatory variables (autocratic, democratic, laissez-faire leadership) have strong and positive relation with employee motivation in Commercial Bank. The R square result of the model has shown that, all the explanatory variables have significant effect on employee motivation and from these explanatory variables the democratic was find to be the main predictor of employee motivation in the Commercial Bank. Hereafter, it is beneficial, if the leaders and other stakeholder in the Commercial Bank are strongly recommended to exercise more democratic, leadership in this institution followed by laissez-faire and autocratic leadership in Commercial Bank.

Keywords: Autocratic, Democratic, Laissez-faire and employee motivation

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1. Introduction

Since the first principle of organization is the presence of human, obviously the most basic step that must be done to accomplish this is to maintain personnel and provides the psychological satisfaction and fulfillment of employees. Throughout human history, always the developments, and changes made by individuals and groups associated with the presence of a person as a leader. These actions have been undertaken under his guidance. Throughout history, leadership has been one of the pillars of human societies. When leadership is considered as a function, is an important component of management. And the presence and the existence of a leader in the group is considered as a number of skills that these skills can be seen as a means or styles of leadership to achieve certain goals (Shafie et, al, 2013).

Leadership leads to more productivity and profitability, but the extent of success depends on the style of the leader and the systematic environment created for staff functionality (Ukaidi, 2016). In a competitive business environment, organizations rely upon their leaders to facilitate the changes and innovations required to maintain competitive advantage (Yukl, 2010). Leaders are perceived as persons who can single handily create order out of chaos, navigate organizations through unthinkable environmental turbulence, bring mightiness out of weakness, and thrive where lesser mortals will quickly fade away.

Leadership has been altered over time, with the change in employee requirements resulting in a demand for change in the relationship between a leader and his subordinates. Leaders have been found to influence followers in many ways, including coordinating, communicating, training, motivating, and rewarding (Yukl, 2010). The position of companies and business activities is difficult in nowadays' dynamic and variable world. Requirements of the market are top efficiency, optimal adaptation, and perspective. The performance of a company becomes currently a very topical theme. Its content includes all corporate activities that need to be cohered to get a result with a functional and prosperous company with a long term perspective (Jaroslav, 2013). Workers in both sectors are assumed to care about extrinsic rewards such as wages (Farooq & Shafique, 2016). But public sector workers are thought to have a higher level of intrinsic motivation, linked to caring directly about the job that they are doing (Cowley & Smith, 2013). In line with this, employee motivation plays a critical role in bringing about energizing employees to commit their time and efforts to the organization (Bwire & Ndiwalana, 2014).

Motivation is one of the most crucial factors that determine the efficiency and effectiveness of an organization and is an integral part of management process and every manager must motivate his subordinate to create in them the will to work (Sandhya & Kumar, 2011). High motivation provides higher efficiency as it is an effective instrument in the hands of management to maximize efficiency of operations as motivated employees give greater performance than de-motivated ones (Sandhya & Kumar, 2011; Samba, 2007).

In these continuities, it is necessary and appropriate to examine potential opportunities to increase the

efficiency and competitiveness of the banking sector by increasing the quality of human resource management. However, it should be noted that, the nature of performance is determined by the organization itself. On the other hand, employees are of paramount importance to the achievement of any organization. Thus effective leadership enables greater participation of the entire workforce, and can also influence both individual and organizational performance. Commitment is an internal decision which cannot be forced (Adio & Popoola, 2010) whereas motivation is defined as the act or process of giving someone a reason for doing something (Lukwago, Basheka, & Odubaker, 2014). Secured commitment ultimately leads to motivation which improves employee job performance (Bwire & Ndiwalana, 2014).

1.2. Statement of the Problem

In the dynamic business environment, the leaders of organizations have played significant role to ensure management and staff for better organizational performance (Pradeep, 2011). Every organization is set up with the expectations of effective and efficient performance, growth in terms of increase in productivity, revenue generation, profit maximization, customer's satisfaction and increase employees' performance (Mohammed H. , 2014). Most leaders in many organizations do not act energetically, motivating employee and inspire for better performance. Moreover, there is the inflexibility of the leadership style by most organization managers. They fail to adjust their style of leading to the changing situations and business environment. Other problem is failure to consider the prevailing situation when leading their subordinates proactively. They fail to allow the situation dictate the particular style of leadership to adopt. The absence of effective leadership is a serious problem endemic in many organizations. It is obvious that the resultant outcome is poor staff performance, absence of motivation, poor growth and development of the institutions. Hence, this would sort to investigate management leadership style and organizational performance (Ukaidi, 2016). Another problem affecting leadership style in financial enterprises is the competence of the leaders so appointed. In most cases, some of their appointments lack merit. What becomes of such organization is having competent leaders who lack the abilities or capacities to use the appropriate leadership style to lead the members to attain set goals or objectives. Once this situation arises, there will be utterances in the way such leaders behave or administer the organization and these will in-turn affect the goals of the organization (Uchenwamgbe, 2013).

The more motivation employees have, the more committed they become to the organization. Thus, motivation is necessary for fostering a good job attitude in the workers. An organization which does not motivate its employees is bound to lag behind in terms of competition in the market. Many potential employees are attracted by the motivating elements that exist in a company, and motivation helps to retain the existing good workers that the organization has (Chung-Chieh Lee, 2013). Training of the employees can improve their commitment level, knowledge sharing and their honor to work in the organization (Meyer, 2007). The purpose of this study was to investigate the impact of transactional and transformational leadership styles on employee motivation and commitment in case of Commercial Bank of Ethiopia Nekemte District.. Despite large number of studies conducted on general leadership concept: (Dasalegn, 2016); (Konjit, 2014); (Leul, 2015); (Asrat, 2013), the impact of transactional and transformational leadership styles on employees' performance has received little attention. Due to these situations the researcher was interested to study the impact of specific leadership styles on employee motivation and commitment in case of Commercial Bank of Ethiopia Nekemte District. A study by Datche and Mukulu (2015), on one factor which is leadership styles on employee motivation in Kenya. The research was conducted by using structured questionnaire only. The survey data collected from 112 civil servants from 18 top performing state corporations in Kenya, as cited in (Khan M. W., and Altaf M., 2015). Motivated employees then develop loyalty or commitment to the firm resulting to greater productivity and lower turnover rates (Parvin, 2011).

The basic purpose of investigating such relationship was to make the new ways open for the manager to consider how their leadership styles create a strong foot prints on the attitudes of the employees towards their job by creating a fluctuating effect on the organizational performance. This study is different from others in trying to examine the effect of leadership styles on employee motivation in case of Commercial Bank of Ethiopia Nekemte District.

1.3. Objective of the Study

1.3.1. General Objective

The general objective of the study was to investigate the effect leadership style practices on employee motivation in Commercial Bank of Ethiopia Nekemte District.

1.3.2. Specific Objectives

The specific objective of the study was:

- ✓ To analyze the extent in which autocratic leadership style practices do predicts employee motivation.
- ✓ To examine the extent in which democratic leadership style practices do predicts employee motivation.
- ✓ To investigate the extent in which laissez-faire leadership style practices do predicts employee motivation.

1.4. Research Question

The study would seek to answer the following research questions;

1. To what extent do the autocratic leadership style practices predicts employee motivation?
2. To what extent do democratic leadership style practices predicts employee motivation?
3. To what extent do laissez-faire leadership style practices predicts employee motivation?

1.5. Significance of the Study

Firstly, the findings of this research are expected to help any concerned body/ stakeholders at different levels by creating and developing awareness on leadership style and (employee motivation and commitment) in case of Commercial Bank of Ethiopia Nekemte District.

For Manger of the Bank: They use it to design a reward system which has high positive effect on employee motivation and commitment. And to avoid useless reward practice from their organization

- ❖ For Policy Maker: it will be use full to formulate leadership style, employee motivation and commitment by considering different situational and demographic factors.
- ❖ For Academician: The study is expected to be a stepping stone for further research on the area.

1.6. Scope of the Study

To make this research manageable, the scope of this study was limited to employees of the Commercial Bank with a working experience of one or more years. In addition, study only confined to autocratic, democratic, laissez-faire leadership style and employee motivation and commitment in case of Commercial Bank of Ethiopia Nekemte District. Besides, the study covers only permanent employee without part timer or contract workers, researchers and top managers. Lastly, for the sack of quality and specialization and to cope with the available time and resource constraints, this study focuses only on the leadership style, employee motivation and commitment in case of Commercial Bank of Ethiopia Nekemte District.

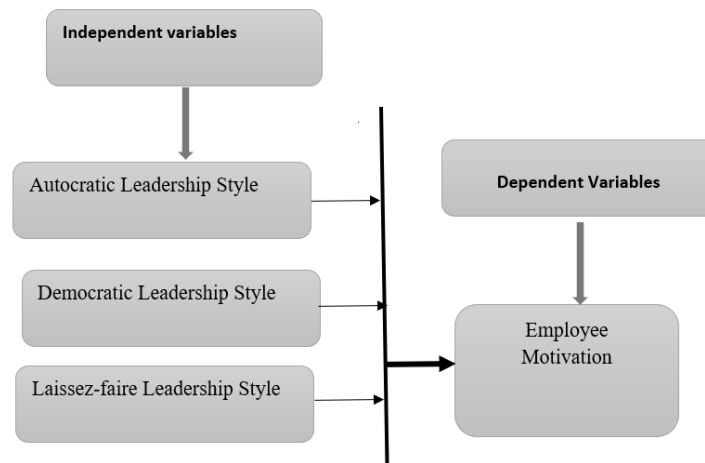
2. REVIEW LITERATURE

Organizations productivity is dependent on the leadership style adopted (Ukaidi, 2016).The status is guarded and respected in passive management-by-exception; the status is ignored by the laissez faire leader who essentially avoids decision making and supervisory responsibilities.” However, laissez-faire leadership emerges as the ultimate form of leading during the twenty-first century. The laissez-faire leader does not intervene in the affairs of followers and showing little control very slightly on the group. Leader’s participation is very low in the activities of group members. In laissez-faire leadership style, team struggles with negligible direction or motivation.

Motivation has been defined as the ability of people, institutions and societies to perform functions solve problems and set and achieve objectives. An individual who is motivated is energized or activated towards an end (UNDP, 2014). Motivating employees to complete their job at a satisfactory or better level can be challenging. Employees show motivation when they are self-inspired to perform tasks and proud of their work. Employees who do not have the drive to succeed at the company adversely impact others in the workplace, which can directly affect the success of the business. Dissatisfaction in the office environment, leading to lack of self-motivation may cause negative consequences. If there is no motivation, it can be difficult to complete a task. Low productivity is a consequence of not being motivated and other employees may feel that they must work harder to compensate for unfinished work. Encouragement helps employees to know how they are appreciated. Poorly performing employees can consume owner's valuable time, and dealing with late or unfinished projects can directly impact the earnings. When one employee lacks motivation, it can bring down the morale of the entire office. Dissatisfaction with their jobs can lead employees to quit (C.Eugene Franco, 2017).The inspirational motivational leaders engage in clearly communicating high expectations to followers and increase team spirit and enthusiasm (Alkahtani, 2016).

2.1. Conceptual Framework of the Study

Figure 2.1: Conceptual Framework of the Study



Source: Adopted from (Ali et, al, 2015) , (UNDP, 2014) & (Kouzes & Posner, 2003)

3. Research Design and Methodology

The types of research design employed for this study were explanatory research design. Because explanatory research design explain the extent in which leadership styles measures (autocratic leadership style, democratic leadership style, laissez-faire leadership style) predicts employee commitment & motivation in Commercial Bank of Ethiopia Nekemte District. Hence, this explanatory research design has investigated the five selected leadership styles measures cumulative effect on employee motivation in Commercial Bank of Ethiopia Nekemte District. The total number of permanent employees in Commercial Bank of Ethiopia Nekemte District 375, as per evidence from Commercial Bank HRM report of 2020 G.C excluding the contract employees. Since the contract employee will not considered for this study.

There are two department were taken and to reduce the population heterogeneity and to increase the efficiency of the estimates, stratified random sampling procedure by proportion allocation will be used. First the researcher has divided the unit of study according to their function called strata. Each stratum assumed to be homogeneous in terms of department nature of activity. Thus, clerical and non-clerical employee of Commercial Bank of Ethiopia Nekemte District (HRM report of 2020 G.C.). Then 11 and 189 were selected from the two unit of study respectively. Purposive sampling technique was used. The researcher was select the samples (representative) from unit of study using department allocation. The sample groups was limited by using Watson’s formula, and then comparing the division in two unit in Commercial Bank of Ethiopia Nekemte District before using stratified random sampling to collect the data. One of the sampling methods is simple random sampling which adopt in identifying respondents from each level to minimize bias.

According to (Watson, 2001) the correct sample size in a study is dependent on the nature of the population and the purpose of the study. This research will be conducted with 5 percent marginal error and 95 percent confidence interval and 5 percent non response rate. Then, the following formula was used for the calculation of the sample size since it is relevant to studies and sampling method (Watson, 2001).

$$\frac{\left(\frac{P(1-P)}{\frac{A^2}{Z^2} + \frac{P(1-P)}{N}}\right)}{R} = \frac{\left(\frac{0.5(1-0.5)}{1.96^2 + \frac{0.5(1-0.5)}{375}}\right)}{0.95} = \frac{\left(\frac{0.25}{3.8416 + \frac{0.25}{375}}\right)}{0.95} = \frac{\left(\frac{0.25}{0.00013166}\right)}{0.95} = \frac{(190)}{0.95} = 200$$

Where: n = sample size required

N = number of people in the population

P = estimated variance in population, as a decimal of 0.5 for 50-50

A = Precision, expressed as a decimal 0.5 for 5%

Z = based on confidence level: 1.96 for 95% confidence

R = Estimated Response rate, as a decimal 0.95% response will be return.

The following table lists the two unit of study strata with population size for each stratum. The researcher calculate the below sample by taking the total number of respondent and calculate the strata for the sample size by dividing for the stratum.

The researcher was used five level Likert scale questionnaires’ to obtain quantitative data from target respondents which helps for easy data processing. Because it has the advantages of easy handling, simple to answer, and quick and relatively inexpensive to analyse (Gujarati D. N., 2004).

3.1. Model Specification

The multiple regression was employed to investigate the effect of independent variable on dependent variable. The dependent variable is employee performance and independent variable are autocratic leadership style, democratic leadership style, laissez-faire leadership style was measured by employee motivation in this study. Hence, the following multiple regression model were employed.

$$EM = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \dots (1)$$

Where: **EM** is Employee Motivation (Dependent Variable) and the Independent Variables include the following:

α Is constant amount or intercept

β_1 is coefficient of autocratic leadership style (X_1)

β_2 is coefficient of democratic leadership style (X_2) and

β_3 is coefficient of laissez-faire leadership style (X_3)

The **e** is the stochastic error of the study

Where: α - is the intercept term- it gives the mean or average effect on X of all the variables excluded from the equation, although its mechanical interpretation is the average value of X when the stated independent variables are set equal to zero.

β_1 , β_2 and β_3 , refers to the coefficient of their respective independent variable which measures the change in the mean value of X, per unit change in their respective independent variables.

e = the Stochastic error

4.1. Results, Discussions and Interpretations

The background characteristics of the study were gender information, educational level, and work experience of the study participant in Commercial Bank Head Office employees were described using table, frequency and percentage as follows.

Table 4.1: Result of Respondent Gender

Variables	Category	Frequency	Percent
Gender	Male	121	61.4
	Female	76	38.6
Educational Level	Diploma holder	37	18.8
	BA/BSC degree holder	154	78.2
	MA/MSc degree holder	6	3.0
Work Experience	One to Five years	83	42.1
	Six to 10 years	103	52.3
	above 11 years	11	5.6
N= 197			

Source: Survey Data, 2020

The Table 4.1 above, presents the general characteristics of respondents. Accordingly, the result of the study showed 121 (61.4%) of respondents were male, whereas 76 (38.6%) of them were female respondents. The educational qualification of the study participants showed that, 154 (78.2%) of respondents were bachelor degree holder; whereas 37 (18.8%) of respondents were diploma holder, and 6 (3%) of respondents were MA/MSc degree holder. The work experience of the study participants showed that, out of 197 respondents' 103 (52.3%) of them have six to ten year work experience; 83 (42.1%) of them have one to five year work experience; and 11 (5.6%) of them have above eleven years of work experience. Generally, the result of general characteristics listed in the table 4.1 above indicated that most of the participants of this study were male, bachelor degree holder and they have Six to 10 years of working experience in Commercial Bank Head Office.

4.3. Descriptive Analysis of Study Variable

4.3.1. Autocratic Leadership Style

Table 4.2: Autocratic Leadership Style

No	Autocratic Leadership Style	Mean	SD
1	My leader explains how my work group fits into the company	2.31	1.43
2	My leader explains rules and expectations to my work group	2.44	1.53
3	My leader pays attention to my work group's efforts	2.93	1.65
4	My leader sets performance standards for group members.	4.21	.912
5	My leader tells group members what they are supposed to do.	4.26	1.07
N=197			

Source: Survey Data, 2020

The respondents were asked to rate Commercial Bank autocratic leadership style practices and the score were range between 4.26 and 2.31 as presented in Table 4.2 above. The participants' were asked whether the

Commercial Bank leaders have told group members what they are supposed to do and the result came to be (M=4.26 & SD=1.07). This showed that participants' were agreed about the raised questions. This means the Commercial Bank leaders have told what their employees are supposed to do in their activities. The participants were asked whether the Commercial Bank leaders sets performance standards for group members and the result was (M=4.21 & SD=0.912). The result showed that the participant agree concerning Commercial Bank leaders setting performance standards for them.

On the contrary, the participants were also asked whether the Commercial Bank leaders pays attention to the employees efforts and the result was (M=2.93 & SD=1.65). The result showed that the Commercial Bank leaders were not giving attention to the employees of Commercial Bank. The participants were asked whether the Commercial Bank leaders have explained the rules and expectations to the employees of Commercial Bank and the result was (M=2.44 & SD=1.53). The result showed that the Commercial Bank leaders have not explained the rules and expectations to the employees of Commercial Bank. The participants were asked whether the Commercial Bank leaders have explained how to fit to Commercial Bank work group and the result was (M=2.31 & SD=1.43). The result showed that the Commercial Bank leaders have not explained how to fit with work group in the Commercial Bank.

4.3.2. Democratic Leadership Style

Table 4.3: Democratic Leadership Style

No	Democratic Leadership Style	Mean	SD
1	My leader acts friendly with members of the group.	2.27	1.39
2	My leader considers my work group's ideas when he/she disagrees with them	2.13	1.40
3	My leader encourages work group members to express ideas/suggestions	2.26	1.37
4	My leader listens to my work group's ideas and suggestions	2.63	1.39
5	My leader uses my work group's suggestions to make decisions that affect us	2.59	1.33
N=197			

Source: Survey Data, 2020

The respondents were asked to rate Commercial Bank democratic leadership practices and the score were ranging between 2.63 and 2.13 as presented in Table 4.3 above. The participants' were asked whether the Commercial Bank leaders were listen to their employees' ideas and suggestions and the result came to be (M=2.63 & SD=1.39). This showed that participants' were disagreed about the raised questions. This means the Commercial Bank leaders were not listen to their employees' ideas and suggestions in their organization. The participants were asked whether the Commercial Bank leaders use employees suggestions to make decisions that affect the employees activities and the result was (M=2.59 & SD=1.33). The result showed that the Commercial Bank leaders were not use employees suggestions to make decisions that may affect employees' activities in their organization.

The participants were also asked whether the Commercial Bank leaders acts friendly with employees of the bank and the result was (M=2.27 & SD=1.39). The result showed that the Commercial Bank leaders were not acts friendly with employees of Commercial Bank. The participants were asked whether the Commercial Bank leaders have encouraged work group members to express ideas/suggestions and the result was (M=2.26 & SD=1.37). The result showed that the Commercial Bank leaders have not encouraged work group members to express ideas/suggestions in the Commercial Bank. The participants were asked whether the Commercial Bank leaders have considered the work group's ideas when they disagrees with them and the result was (M=2.13 & SD=1.40). The result showed that the Commercial Bank leaders have not considered the work group's ideas when they disagrees with them in the study area.

4.3.3. Laissez-faire Leadership Style

Table 4.4: Laissez-faire Leadership Style

No	Laissez-faire Leadership Style	Mean	SD
1	My leader encourages work group members to solve problems together	2.26	1.28
2	My leader gives all work group members a chance to voice their opinions	2.49	1.48
3	My leader gives work group members honest and fair answers	2.69	1.49
4	My leader makes suggestions about how to solve problems	2.32	1.11
5	My leader teaches work group members how to solve problems on their own	2.45	1.43
N=197			

Source: Survey Data, 2020

The respondents were asked to rate Commercial Bank Laissez-faire leadership practices and the score were ranging between 2.69 and 2.26 as presented in Table 4.4 above. The participants' were asked whether the Commercial Bank leaders gives honest and fair answers for work group members questions and the result came to be (M=2.69 & SD=1.49). This means that the Commercial Bank leaders were not respond to work group members' questions honestly and fairly in the organization under study. The participants were asked whether the Commercial Bank leaders gives all work group members a chance to voice their opinions and the result was (M=2.49 &

SD=1.48). The result showed that the Commercial Bank leaders were not gives all employees a chance to voice their opinions in their organization. The participants were also asked whether the Commercial Bank leaders have taught work group members how to solve problems by their own and the result was (M=2.45 & SD=1.43).The result showed that the Commercial Bank leaders were not have taught work group members how to solve problems by their own in the work place. The participants were asked whether the Commercial Bank leaders have suggested them on how to solve problems and the result was (M=2.32 & SD=1.11). This means that the Commercial Bank leaders did not suggests their employees on how to solve problems in the study area. The study respondents were asked whether the Commercial Bank leaders have encouraged work group members to solve problems together and the result was (M=2.26 & SD=1.28). This shows that the Commercial Bank leaders did not encourage work group members to solve problems together in the Commercial Bank under study.

4.3.4. Employee Motivation

Table 4.5: Employee Motivation

No	Employee Motivation	Mean	SD
1	In my organization, I am adequately remunerated for what I do.	2.36	1.48
2	In my organization, I am working in good condition	3.31	1.49
3	In my organization, I have job security guarantee.	3.59	1.56
4	In my organization, I have the chance to be promoted to higher job position	4.49	.75
5	In my organization, I have the chance to get training and development	2.74	1.56
6	In my organization, there is employee recognition practices for their outstanding performance	3.79	1.28
N=197			

Source: Survey Data, 2020

The study employees were asked to rate their motivation practices as part of in Commercial Bank employees and the score were range between 4.49 and 2.36 as presented in Table 4.5 above. The participants' were asked whether they have the chance to be promoted to higher job position in the Commercial Bank and the result came to be (M=2.69 & SD=1.49).This means that the employees have the chance to be promoted to higher job position in the Commercial Bank. The participants' employees were asked whether they were recognized for their outstanding performance and the result came to be (M=3.79 & SD=1.25).This means that the employees under study were recognized for their outstanding performance in the Commercial Bank. The respondents were asked whether they have job security guarantee in the Commercial Bank under study and the result came to be (M=3.59 & SD=1.56).This means that the employees under study have job security guarantee in the Commercial Bank and the respondents were also asked whether they have good working condition in the Commercial Bank and the result came to be (M=3.31 & SD=1.49).This implies that the study employees have good working condition in the Commercial Bank.

On the contrary, the participants were also asked whether they have the chance to get training and development in the Commercial Bank and the result came to be (M=2.74 & SD=1.56).This implies that the majority of respondents did not get training and development chance in the Commercial Bank. The respondents were asked whether they were remunerated adequately for what they have done in the Commercial Bank and the result came to be (M=2.36 & SD=1.48).This implies that the study employees were not adequately remunerated for what they have done in the Commercial Bank.

4.3.5. Correlation against Employee Motivation

With an objective of measuring the strength of relationship between (autocratic leadership, democratic leadership, laissez-faire leadership) and employee motivation by using Pearson correlation coefficients as follows.

Table 4.6: Correlation coefficients with Employee Motivation

		EM	DL	LL	AL
Employee Motivation	Correlation	1			
	Sig.				
Democratic leadership	Correlation	.727**	1		
	Sig.	.000			
Laissez-faire leadership	Correlation	.741**	.716**	1	
	Sig.	.000	.000		
Autocratic leadership	Correlation	.621**	.530**	.635**	1
	Sig.	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).					
N=197					

Source: Survey Data, 2020

According to (Karl E, 2012) Correlation Coefficients, the strength of relation between independent and dependent variable value of 0.8 to 1.0, 0.6 to 0.8, 0.4 to 0.6; and 0.2 to .4; and below 0.0 to 0.2 have very strong,

strong, moderate, weak and very weak respectively. Depending on mentioned value of Karl E. correlation coefficients, the strength of relation between dependent and independent variables were interpreted for each of the variables under the study.

As it can be seen from the table 4.6, there is significant relation between the dependent variable and all independent variables under study. Therefore, laissez-faire leadership has strong and positive relationship with employee motivation accounting the first 74.1%; followed by democratic leadership has a strong and positive relationship with the employee motivation accounting the second 72.7 % and autocratic leadership has a moderate and positive relationship with the employee motivation accounting the third 62.1 % (Karl E, 2012).

4.4. Regression Model Assumption Test

The variance inflation factor (VIF) values below 10 are acceptable and tolerance value should be higher than 0.1 (Gujarati, 2004). As it is observed from Regression Coefficients in the table 4.10 below; multicollinearity problem is not observed in this research result because the value of tolerance is higher than 0.447 and variance inflation factors value is also less than 10 (see table 4.8 below). In addition, the researcher has tested the normality of data and the data set is straight forward as observed in figure 4.1 (see Appendix I). Hence, normality test assumption is met. The visual examination of the linearity probability plot in figure 4.2, indicate there was no violation of the linearity assumption, as it is observed from straight line the tendency of the points is straight line (see Appendix II). As observed from scatter plot of the standardized residuals in Figure 4.3 there are no serious assumption violations (see Appendix III). This implies that the normality, linearity, scatter plot, tolerance values and variance inflation factors assumption test were met. Hence, it is possible for the researcher to run the regression analysis.

Table 4.7: Collinearity statistics of Employee Motivation Model

Model		Coefficients	
		Collinearity Statistics	
		Tolerance	VIF
1	Autocratic Leadership Style	.464	2.156
	Democratic Leadership Style	.447	2.235
	Laissez-faire Leadership Style	.614	1.628
a. Dependent Variable: Employee Motivation			

Source: Survey Data, 2020

4.5. Regression with Employee Motivation

Random effect multiple regression model was used to predict employee motivation so as to explain the degree of association between dependent and independent variables under study. Since, the regression is a powerful tool for summarizing the nature of relationship between variables and for making predictions of likely values of the dependent variable (Gujarati, 2004).

Table 4.8: Model summary of employee motivation

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.808 ^a	.652	.647	.58057
a. Predictors: (Constant), Autocratic, democratic & Laissez-faire leadership				

Source: Survey Data, 2020

The model summary Table 4.8 above shows the degree of association that the stated independent variables have with the dependent variable in the study area. As such, it has been shown by R that the three leadership style (Autocratic leadership, democratic leadership, and laissez faire leadership) all together have strong positive relation at a rate of 80.8%. This shows that the better these variables are treated the more employee motivation in Commercial Bank. The R Square indicates the strength of interpretation in multiple linear regression model as it is explained by 65.2 % variation of employee motivation in Commercial Bank but the remaining 34.8% variation of employees' motivation in Commercial Bank might be caused by other factors that are not included in this study. On the other hand, the R square 0.65.2 result of the model has shown that all the explanatory variables (Autocratic, democratic and laissez-faire leadership) have impactful predicts employee motivation in Commercial Bank.

Table 4.9: ANOVA of Employee Motivation

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	121.985	3	40.662	120.637	.000 ^b
	Residual	65.052	193	.337		
	Total	187.037	196			
a. Dependent Variable: Employee Motivation						
b. Predictors: (Constant), Autocratic, Democratic & Laissez-faire leadership						

Source: Survey Data, 2020

The hypotheses of the study have been tested by using multiple linear regression model as seen in table 4.10. It can be noticed from table 4.9, the F statistics in the multiple linear regression model is 120.637 with probability (F= 0.000) which indicates a good fitness of the predictability of the model used. This indicates that the overall model is highly significant at $P < 0.05$ % and that all the independent variables are jointly significant in causing variation of employees' motivation in Commercial Bank.

Table 4.10: Regression coefficients of Employee Motivation

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.020	.042		.48	.631
	Democratic	.375	.062	.371	6.04	.000
	Laissez-faire	.362	.071	.344	5.09	.000
	Autocratic	.209	.056	.206	3.72	.000
a. Dependent Variable: Employee Motivation						

Source: Survey Data, 2020

As seen from table 4.11, the three leadership style under study such as democratic ($t=6.04$, $p < 0.05$), laissez-faire ($t=5.09$, $p < 0.01$) and autocratic ($t=3.72$, $p < 0.01$) significantly contributed for employee motivation in Commercial Bank. To identify the individual contribution of explanatory variable, unstandardized coefficient Beta value of the three leadership style under study were used. The standardized coefficient Beta (β) of democratic (0.375), laissez-faire (0.362) and autocratic (0.209) respectively. Hence forth, the democratic leadership contribute more than laissez-faire and autocratic, since it had larger standardized coefficient.

Consequently, it can be said that democratic leadership was more determinant predictor of employee motivation in Commercial Bank. That means, as one unit increase in democratic leadership style will increase employee motivation in Commercial Bank by 0.375; a unit increase in laissez-faire leadership style will increase in employee motivation in Commercial Bank by 0.362; and a unit increase in autocratic leadership style will increase employees' performance in Commercial Bank by 0.209 respectively. Here, the influence/contribution of autocratic leadership style for employee motivation is low as compared to democratic leadership style and laissez-faire leadership style in Commercial Bank. From the observe magnitude of weighted beta in the table 4.10, one can concluded that if all independent variables are ignored, the Commercial Bank itself have the value of 0.020 on its employee motivation.

Based on the above table 4.10 random effect regression result, the following model was developed to examine the effect leadership style practices on employee motivation in Commercial Bank of Ethiopia Nekemte District.

$$EM = 0.020 + 0.375(DL) + 0.362(LL) + .209(AL) + \alpha$$

Where; EM is employee motivation that used as dependent variable of the study and the explanatory variables employed in this multiple linear regression model are, AL is Autocratic Leadership Style, DL is Democratic Leadership Style and LL is Laissez-faire Leadership Style are predictor of employee motivation that have been represented in the multiple linear regression model of this study.

5. Conclusions & Recommendations

This chapter deals with the conclusion and recommendations parts of the research. The first part of this chapter presents the summary of the major findings. The second part of the chapter is concerned with the conclusion drawn by the researcher and the third part is about the recommendations made by the researcher.

5.1. Conclusions

The study was conducted to assess the Effect of Leadership Style Practices on employee motivation in the Commercial Bank in under study. In connection with each specific objectives under study, the researcher has made conclusions as follows;

The overall descriptive statistics report shows the existence of good employee motivation, employee commitment and autocratic leadership practices but the descriptive statistics report indicates poor practices of

democratic leadership & laissez-faire leadership in the Commercial Bank in under study. The Commercial Bank leaders did not, explain to employees how to fit to work group, the Commercial Bank leaders did not explain the rules and expectations to the employees, the Commercial Bank leaders did not remunerate adequately, the Commercial Bank leaders did not pays attention to the work group's efforts; and the employees of Commercial Bank did not told to their friends that Commercial Bank is a good organization to work, the employees also did not get training and development chance in the study area.

The regression coefficient result of leadership style namely (autocratic leadership, democratic leadership and laissez-faire leadership) were significantly predicts employee motivation. From these democratic leadership was find to be the dominant predictor of employee motivation. The correlation coefficient result of democratic leadership, laissez-faire leadership and autocratic leadership have strong and positive relation with employee motivation in the study area.

5.2. Recommendations

Based on the findings and conclusions of the study, the researcher has forwarded the following recommendations to the management body of Commercial Bank regarding employee motivation, autocratic, democratic and laissez-faire and as follows.

- As per the regression coefficient finding the three leadership style under study such as autocratic, democratic and laissez-fair have impactful predicted employee motivation in the study area but they are not equally predict employee motivation. From these democratic leadership style was find to be the dominant predictor of employee motivation. Hence, it is advantageous, if the leaders of Commercial Bank employed more democratic leadership style, followed by laissez-fair leadership style and autocratic leadership style, for better employee motivation respectively.
- The Commercial Bank leaders and others stakeholders should explain to their employees how to fit to work group, explain the rules and expectations to their employees, remunerate adequately their employees, pays attention to the work group's efforts and provide training and development chance for their employees.
- The employees of Commercial Bank should told to their friends that Commercial Bank is a good organization to work and promoted.
- The overall descriptive statistics report shows the existence of good employee motivation and autocratic leadership practices and these are politely strongly recommended to promote more by all employees and other stakeholder of Commercial Bank in the study area.
- The overall descriptive statistics result of democratic leadership & laissez-faire leadership report indicates poor practices and the concerned leaders of Commercial Bank should exercise both democratic leadership & laissez-faire leadership where it is highly demanded by employees in their organizational setting.
- *Evidently*, the scope of this study was limited to Commercial Bank of Ethiopia Nekemte District. As a result, the participants were only from one organization. Therefore additional research is needed to enhance the understanding that the impact of leadership style on employee motivation in all Commercial Bank branches.

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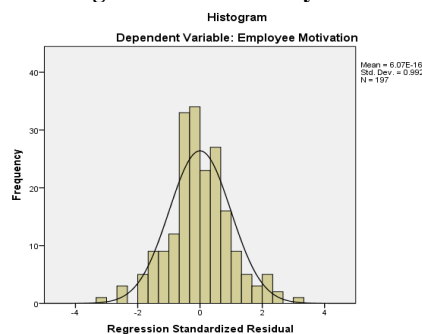
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Appendices

Appendix I: Normality of Data

Figure 4.1: Normality of Data



Appendix II: Linearity of P-P of Regression Standardized Residual

Figure 4.2: Linearity of Regression Standardized Residual



Appendix III: Scatterplot of the Standardized Residuals
Figure 4.3: Scatterplot of Regression Standardized Residual

