



Reviewing Relevance of Leadership Styles on Leadership Outcomes: An Epistemological Study of Bule Hora Town, Oromia Regional State, Ethiopia, Horn of Africa.

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Abstract

This study is aimed at epistemologically investigating the effect of leadership styles on the leadership outcomes of Public Sectors of Bule Hora Town. There were 20 public organizations in the town and they were categorized by the council into three groups: social, economic and administrative sectors. Out of a total of 834 employees working in the public sectors, 277 respondents filled and returned the questionnaire. In addition, 9 key informants were interviewed. The sample selection method adopted was simple random and purposive sampling technique. Mixed designs (both descriptive and explanatory) and mixed approaches (quantitative and qualitative) were employed to attain the objectives of the study. Data were collected using both the standardized questionnaire and self-developed interview items. The data were presented and analyzed applying both descriptive and inferential statistics. The results of the study revealed that most frequently applied leadership style was transactional leadership while the laissez-faire leadership style is the least frequently applied. Moreover, both transformational and transactional leadership styles had positive correlation while laissez-faire leadership style has negative correlation. Thus, it is concluded that practicing transformational leadership was relatively more contributing to the achievement of the goals of public sectors organizations than others. Ultimately, it has been recommended that laissez-faire leadership styles need to be organized for the leaders by the council.

Key Words: Leadership, Leadership Outcomes, Transactional Leadership, Transformational Leadership, Laissez-Faire Leadership.

1.1. Introduction

Appropriate Leadership style provided competitive Advantage in public sectors. This is because leadership styles are determinant factors of motivating employees towards the growth and development of the sectors (Yahya&Elsayed, 2012). Thus right application of leadership styles is key fact of success of employees in the sector (Hailey, 2006). Studies of Avolio Bass & Kennedy (2002) indicated that leadership styles can be grouped in to three categories. The theory that supports this category is called a Full Range Leadership Theory. It is a contemporary model that has been used for analyzing leadership styles. It is formulated by (Avolio and Bass,1991). According to these researchers types of leadership styles can be summarized into three styles (Transformational, Transactional and Laissez-faire), these three styles were derived from well know leadership behaviors and related styles.

On the other hand, outcomes of leaders who apply the right leadership skills rightly were found to higher than who apply them wrongly or inappropriately. These leadership outcomes include enhanced: organizational performance, employees' satisfaction and motivations (Muenjohn, 2012). This means, the contribution of public sectors to the public is highest when leaders are correctly leading these sectors ad producing the required outcomes. These still denote that efforts of leaders (styles applied), outcomes of leaders and effectiveness of the sectors are sequentially (by cause and effect links) and strongly connected each other. Is the first two are strongly and positive conned with causal relationship, no matter that the third outcomes (effectiveness of the sectors) automatically results and becomes in place. Therefore, the proposed study shall examine the effect of the three leadership styles on the three leadership outcomes in public sectors of Bule Hora town administration. However, the present study has its own conceptual methodological uniqueness.

Conceptually and methodologically, there are many related studies conducted by different scholars. The most related was the study conducted by Aziz, Abdullah & Tajudin (2013). This research was conduct with small sample size and homogenous population. Another study was conducted by Lim (2016). However, Lim studied the issues on wholesale (economic sectors) of Malaysia. But he did not apply mixed research designs and approaches. In Ethiopian, using Transformational Leadership Theory, Dibabo (2016) had conducted research on NGOs. Unlike in this research researcher again used homogeneous samples with respect to personal and organizational characteristics. There was not any study conducted on public sectors in Bule Hora Town, Ethiopia and earlier studies results were inconsistence because of organizational characteristics and environmental difference.

1.2. LITERATURE REVIEW

Various authors, Hailey (2006), Kelloway and Barling (2010) and Northouse (2010), defined the concept of leadership in different ways. For example, Northouse (2010) defined leadership as a process whereby on individual influences a group of individuals to achieve a common goal. Kelloway and Barling (2010) indicated that leadership is a process of social influence that is enacted by individuals in formal positions of power or leadership positions in an organization.

There are different views of leadership as there are characteristic that distinguish leader from non-leader. Key great Man theorists are Gates, Thatcher and MacArthur, among others (Bass, 2008). As to this theory leader are born not trained. They are born with specific traits or qualities that other cannot have (Bass 1997; Ruvolo, Peterson & LeBoeuf, 2004). Trait theory is the second theory developed after great man theory; it focuses on personalities of leaders that are considered as intrinsic attributes (Northouse, 2010). Behaviorist Theory as a critic view come out from trait theory, focuses on the leaders' behaviors rather than on their traits (House & Aditya,1997). Situational or Contingency Leadership theory assumes that effective leaders need to consider the situational or contingency factors and match their leadership styles to influence leadership effectiveness (Muenjohn, Armstrong & Francis, 2010). Downton (1973) for the first time coined the term 'transformational leadership' in his paper titled '*Rebel Leadership*'. Burns (1978) derived the term 'transforming leader' to distinguish transformational leaders from transactional leaders. The transforming leader, according to Burns, is a person who is able to provide common mission and vision, and influence followers to realize them by raising the level of motivation and morality of the follower. Transactional Leadership, on the other hand, means a transaction focus on rewards, as good tool for good performance and disciplinary actions for poor performance.

Zhu, Avolio and Walumbwa (2009) undertook a quantitative research in the context of South Africa. The study examined whether follower characteristics moderate the relationship between transformational leadership and follower's work engagement. The result of this empirical study clearly indicated that follower characteristics moderate the positive relationship between transformational leadership and work engagement. Younes, Elsiddig, Mohammad, (2015) undertake research in private health care sector in Jordan to investigate the impact of leadership style on leadership outcome. The result of this empirical study clearly indicated that the outcomes of leadership, such as Extra Effort, Effectiveness and Satisfaction were positively related with Transformational Leadership and very weak positive relation with Transactional Leadership. Extra effort, Effectiveness and Satisfaction were concluded to be negatively related to Laissez-faire style. Lim, (2016) undertake quantitative research in the context of leadership styles and leadership outcomes on Malaysian managers working in the wholesale sector. The result of this empirical study clearly indicated that the Outcomes of Leadership were positively related with Transformational Leadership and Transactional Leadership but negatively related to Laissez-faire style.

Shibru (2011) undertook empirical research in the leather industry in Ethiopia. His study indicated that all components of transformational leadership were statistically significant and strongly correlated with subordinate satisfaction. With the objective of investigating the relationship between the leadership style of managers and nurses' job satisfaction in Jimma University Hospital, Negussie and Demissie (2013) undertook an empirical study. The result of the study showed that nurses prefer transformational leadership style over transactional leadership style and had a moderate-level intrinsic ($M=2.72$, $SD=0.71$) but a low level of extrinsic job satisfaction ($M=1.83$, $SD=0.68$).

Dinbabo (2016) conducted his study on transformational leadership in health sector in relation to NGOs in Addis Ababa, Ethiopia. The findings of his study revealed that transformational leadership has relatively strong, and statistically significant relationship with members perception of their leader ($r = .93^{**}$) and he also found a significant but moderate relationship between transactional leadership style and members' perspectives of their

leaders ($r = .488^*$) but there is low correlation with affective laissez fair ($r = .129$) and members' perspectives of their leaders.

A number of studies have been conducted on a related topic while their findings are not consistent to each other to some extent. As far as the researcher's knowledge is concerned, few or no research was conducted yet on similar topic in public organization in Ethiopian context. So the present study was enviable in nature.

1.3 Research Objective

- To identify dominantly leadership style that has been exercised in Public Sector, Bule Hora town administration council.
- To examine the relationship between leadership style and leadership outcome
- To investigate the extent to which leadership styles have been affecting the leadership outcome in Public Sector of Bule Hora town administration council.

1.4 Research Methodology

1.4.1 Research Design and Approach

In order to address the research problem, the study was used both descriptive and explanatory research design with mixed approach of Qualitative and Quantitative in nature.

1.4.2 Source and Types of Data

To collect data for this research both primary and secondary data sources was used. This is because to get both diverse (extended) and deeper data. The primary data was collected from twenty (20) different public sectors of employees through, close ended questionnaire to respondent. In addition to questionnaire interview was conducted to the Manager of public sector organization in Bule Hora.

1.4.3 Sampling Strategy

Bule Hora town is located at a distance of 470 km south of capital city Addis Ababa, Oromia Regional State, in West Guji Zone. A study population is the entire group of people to which a researcher intends the results of a study to apply (Aron & Coups, 2008). Therefore, the target populations of the study were 834 employees working in public sectors under Bule Hora town administration council. Sample size determination applied by using the Korthan (2004) formula. However stratified but proportional sampling strategy was applied to get equitable samples. Accordingly the formula forwarded by Korthan (2004) was applied.

$$n = \frac{pq.N.Z^2}{(N-1)e^2 + Z^2 p*q}$$

$$n = \{0.5\} \{1-0.5\} (834) (1.96 / (834-1) (0.05)^2 + (1.95)^2 + (0.5) (1-0.5)) = 295.2$$

1.4.4 Data Presentation and Discussion

Dominant Style of Leadership in Public Sectors of Bule Hora Town

It is true that one person can possess and apply more than one leadership styles in leading a single organization. However, due to some contingent factors, a leader can apply one dominant leadership style more than other. Accordingly, table 1 presents data collected on the type of leadership style that has been dominantly applied in the studied sectors.

Table 1: Perceived Leadership Styles in the Sectors

Public Sectors		Transformational leadership Style	Transactional Leadership	Laissez-faire leadership style
Administrative sector	Mean	3.1758	2.8043	2.4682
	N	89	89	89
	Std. Deviation	.66324	.58253	1.09834
ES	Mean	3.0794	2.7884	2.5556
	N	63	63	63
	Std. Deviation	.73778	.65014	1.09250
Social Sector	Mean	3.1752	2.8587	2.5653
	N	125	125	125
	Std. Deviation	.68048	.61449	1.09922
Total	Mean	3.1536	2.8252	2.5319
	N	277	277	277
	Std. Deviation	.68717	.61135	1.09433

Data in the Table 1 showed that transformational leadership style (mean =3.15, SD=0.68) was reported to be dominantly applied across all the three sectors followed by transactional leadership (mean=2.83, SD =0.61) and laissez-faire leadership style (mean=2.53, SD=1.09). However, the size of the mean scores reported by the respondents revealed that all of the three styles were weakly practices in the sectors.

Regarding the practice of leadership in public sector of Bule Hora, this research results indicates that the application of three leadership styles showed variation across the three groups of public sectors. In relative sense the extent of application of transformational leadership highest in Administrative (mean=3.1758, standard deviation=0.66324) next in social sectors (mean=3.1752, standard deviation=0.73778) but least in Economic sectors (mean=3.0794), standard deviation=0.68048).

Conversely, transformational leadership styles has been perceived to be most applied in Economic sectors compared to the other two sectors of the town (see table 1). The overall result of this study showed agreement with those of Lim (2016). Accordingly, to the study conducted by his study even though transformational leadership was not always practiced, it was more dominantly applied in the studied organization relatively.

1.4.5 Outcome of the leaders

Extra efforts, effectiveness and satisfaction level were used to measure the extent of outcome of the leadership in the public sectors of Bule Hora town administrative council. The following table 2 presents the data gathered from the respondents on the prevalence of the three outcomes in the sectors.

Table 2: Outcome of leadership

Public Sectors		Extra Effort	Effectiveness	Satisfaction
Administrative sector	Mean	2.8240	3.1910	3.2528
	N	89	89	89
	Std. Deviation	.91576	.89983	1.00319
Economic sector	Mean	2.8360	3.1667	3.1825
	N	63	63	63
	Std. Deviation	.99438	.96303	1.12988
Social Sector	Mean	2.9333	3.2400	3.3000
	N	125	125	125
	Std. Deviation	.93995	.93886	1.05685
Total	Mean	2.8761	3.2076	3.2581
	N	277	277	277
	Std. Deviation	.94296	.9222	1.05431

Data in the above table 2 clearly show that the three outcome of leadership indicates some times in the public sectors of Bule Hora town. Effectiveness (mean=3.2076, standard deviation=0.9222) indicates relatively most frequently next to effectiveness (mean=3.2581, standard deviation=1.05431) and extra effort (mean=2.8763, standard deviation=0.94296) indicates least frequently in public sector of Bule Hora town. Comparatively all the three leadership outcomes were reported to indicate most frequently in social sectors than economic sector and administrative sector. Moreover, extra efforts, as indicators of leadership was least frequently manifesting in administrative sectors of the town. But the remaining two outcomes (effectiveness and satisfaction) were reported to be least frequently resulting in economic sectors of the town.

1.4.6 Correlation between leadership styles and leadership outcomes

Under this part attempts were made to examine the correction between each of the three leadership styles and three variables that indicate the outcomes of the leaders

Table 3: Correlation between leadership styles and leadership outcomes

	Transformational leadership Style	Transactional leadership style	laissez-faire leadership style	Extra Effort	Effectiveness	Satisfaction
Transformational leadership Style	1	.667**	-.264**	.622**	.622**	.562**
Pearson Correlation						
Sig. (2-tailed)		.000	.000	.000	.000	.000
N	277	277	277	277	277	277
Transactional Leadership	.667**	1	-.053	.577**	.477**	.416**
Pearson Correlation						
Sig. (2-tailed)	.000		.380	.000	.000	.000
N	277	277	277	277	277	277
laissez-faire leadership style	-.264**	-.053	1	-.102	-.021	-.221**
Pearson Correlation						
Sig. (2-tailed)	.000	.380		.089	.731	.000
N	277	277	277	277	277	277
Extra effort	.622**	.577**	-.102	1	.709**	.621**
Pearson Correlation						
Sig. (2-tailed)	.000	.000	.089		.000	.000
N	277	277	277	277	277	277
Effectiveness	.622**	.477**	-.021	.709**	1	.771**
Pearson Correlation						
Sig. (2-tailed)	.000	.000	.731	.000		.000
N	277	277	277	277	277	277
Satisfaction	.562**	.416**	-.221**	.621**	.771**	1
Pearson Correlation						
Sig. (2-tailed)	.000	.000	.000	.000	.000	
N	277	277	277	277	277	277

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

Table 3 depicts transformational leadership have significant relation with effectiveness. The strength of relationship between Transformational Leadership and Effectiveness is strong and positive ($r=622$, $\alpha=0.000$). Transactional Leadership have significant relation with Satisfaction. The strength of relationship between Transactional

Leadership and Satisfaction is moderate and positive ($r = .477$, $\alpha = 0.000$). Laissez-faire leadership have no significant relationship with effectiveness ($\alpha = 0.731$).

Transformational Leadership has significant relation with extra effort. The strength of relationship between Transformational Leadership and extra effort is strong and positive ($r = 0.622$, $\alpha = 0.000$). Transactional Leadership have significant relation with Satisfaction. The strength of relationship between Transactional Leadership and extra effort is moderate and positive ($r = 0.577$, $\alpha = 0.000$). Laissez-faire leadership have no significant relationship with effectiveness ($\alpha = 0.089$). Indicators of the leaders show that transformational leadership has strong and positive correlation with the three outcomes. In strict sense the connection between transformational leadership with extra effort and effectiveness was found to be more strong ($r = 0.622$, $\alpha = 0.000$) than its link with satisfaction of the leaders ($r = 0.562$, $\alpha = 0.000$).

However, practicing sub scaled items of transactional leadership styles (like instilling pride on the part of their followers, respecting others, considering moral and ethical consequences of decisions etc. were reported to be positively related with the outcomes of leadership in the public sectors of Bule Hora town administrative council.

1.5 Findings and discussion

The study showed that transformational leadership style (mean = 3.15, SD = 0.68) was reported to be dominantly applied across all the three sectors followed by transactional leadership (mean = 2.83, SD = 0.61) and laissez-faire leadership style (mean = 2.53, SD = 1.09). However, the size of the mean scores reported by the respondents revealed that all of the three styles were weakly practices in the sectors. The application of the three leadership styles showed variation across the three groups of public sectors. In relative sense extent of application of transformational leadership is most frequent in, Administrative followed by social sectors but least frequently applied in Economic sectors. Conversely, transactional leadership styles has been perceived to be most applied in Economic sectors compared to the other two sectors of the town (see table 1). The overall result of this study showed agreement with those of Lim (2016). The research revealed that extra efforts, as indicators of leadership, was least frequently manifesting in administrative sectors of the town. But the remaining two outcomes (effectiveness and satisfaction) were reported to be least frequently resulting in economic sectors of the town. Comparatively, the effect of transformational leadership style had strongest while that of laissez fair had negative and weakest effect on the effectiveness of leadership in the sectors. These findings fully agree with those of Avolio and Bass (2004), and Kedsuda and Stephen (2008), who found a positive but moderate relationship between Extra Effort and Effectiveness with Transactional Leadership.

1.6 Conclusion

According to this research finding of the styles of leadership were not always practiced comparatively, transformational leadership and transactional leadership were the first and second frequently applied styles and laissez fair is the least. This implies that the transformational leadership attribute such as intellectual simulation, idealized influence (Passive), idealized influence (active), inspirational motivation, individualized consideration indicates most frequently on the leaders of public sectors of Bule Hora town than the transactional leadership behavior such as management by exception (passive), Management-by-exception (active) and contingent reward. Moreover this research finding indicates the practice of laissez fair leadership is low in relative sense.

This research finding indicates that the three outcomes of leadership indicate sometimes on the leaders of public sector working Bule Hora town. It implies the leaders are not much effective in application of satisfactory method of leadership, working with their subordinate in satisfactory, in representing their subordinate's interest to higher authority, and in exerting the extra effort of subordinates to do more than expected from them. It can be concluded that transformational and transformational leadership styles were relatively more supporting the overall effort of the leaders as well as goal achievement of the public sectors in Bule Hora town administration. On the other hand, it can also be inferred also that Laissez-faire leadership styles has no contribution for the effectiveness of the leaders and the public sectors of the town. In general, the existence of weak application of the three leadership styles was investigated, and Less frequent application of the right leadership styles as a result it can be generalized, the weak outcomes of the sectors were resulted.

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