



ADDIS ABABA UNIVERSITY
College of Business and Economics
School of Commerce
Department of Business Administration and Information System (BAIS)
Master's in Business Leadership (MBL)

The Role of Leadership Competencies on the Performance of Start-Up Business in
Addis Ababa: The Case of Textile Micro and Small Enterprises (MSEs) at
Shiromeda.

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June, 2022

Addis Ababa, Ethiopia

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DECLARATION

I, Elias Zewdie, hereby declare that this research project paper is original and has never been presented in any other institution. To the best of my knowledge and belief, I also declare that any information used has been duly acknowledged.

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ACRONYMS/ABBREVIATIONS

AdSCI	Addis Saving and Credit Institution
DBE	Development Bank of Ethiopia
EL	Entrepreneurial Leadership
ELD	Entrepreneurial Leadership Development
ELDP	Entrepreneurial Leadership Development Programs
GoE	Government of Ethiopia
GKKMSEDO	Gullele Sub-City Micro and Small Enterprises Development Office
KIs	Key Informants
LCS	Leadership Competency Scorecard
MSME	Micro Small and Medium Enterprises
MDG	Millennium Development Goals
MFI(s)	Micro Finance Institution(s)
NBE	National Bank of Ethiopia
SACCO	Savings and Credit Co-operative
SME	Small and Micro Enterprises
WB	World Bank
WMSEDO	Woreda Micro and Small Enterprise Development Office

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Abstract

This project paper aims to explain the role of Leadership Competencies on the Performance of Start-up Businesses in Addis Ababa, Ethiopia: The Case of Textile Micro and Small Enterprises (MSEs) at Shiromeda. A Cross-sectional survey of 80 Textile Start-up MSEs located at Shiromeda, Gullele Sub-City, Addis Ababa, Ethiopia has been selected for the study. Statistical techniques are used to explain the role of Leadership Competencies on the Performance of Start-up Businesses. Eighty (80) participants with at least five (5) years stay from 2010 – 2014 E.C. in the business were selected to fill a questionnaire by using purposive sampling and ten (10) experts from relevant government office were approached through the interview conducted. Quantitative and qualitative data were collected through semi-structured questionnaires and interview guide. It was found that Textile Start-up performance was positively affected by the leadership competencies of leaders/employees and there is a positive and significant relationship between dependent and independent variables and leadership competency of owners/leaders increased the performance of start-ups.

Key Words: Leadership Competency, Textile Start-ups, Business Performance,

CHAPTER ONE

I. INTRODUCTION

Business Start-ups contribute to the growth of the Ethiopian economy. They contribute to national development in multiple ways and as such, the supply of entrepreneurial leaders and development of their entrepreneurial leadership competencies is very important in enhancing economic development. This concept note will deal with the background of the Study, Statement of the Problem, Objectives of the Study, Significances of the Study, Scope of the Study, Limitations of the Study, Definition of key terms and organization of the Study.

1.1. Background of the Study

The role and identification of leadership competencies that characterize successful business start-ups, how these competencies are acquired, nurtured and developed, is critical. If the role of leadership competencies is fully appreciated, the focus could be more on bolstering their capabilities. Such an understanding would enable us to advise government and other development actors on appropriate efforts and strategies of inculcating leadership competencies in society in order to improve entrepreneurship skills in the society, thus promoting sustainable development and competitiveness in national economy.

For business start-ups in Ethiopia, to survive in today's global dynamic economy that is characterized by rapid change, uncertainty and competitiveness, they need to utilize all their entrepreneurial resources to facilitate competitive performance. Due to its uniqueness and potential, entrepreneurial leadership has been suggested by scholars as one such key resource, which provides a source of competitive advantage as it is not easily imitable (Kreiser, 2010) and can address the emerging entrepreneurial challenges.

This study aims at contributing to the field of entrepreneurial leadership by determining viable strategies through which entrepreneurial leadership can be developed among the Business Start-Ups in Ethiopia. Closely related and informing this objective, the study also aims to establish the personal characteristics and motivations of business start-up leaders identify core business start-up leadership competencies needed, examines the methods and strategies that can be deployed in developing these competencies. It also seeks to establish how family and social groups influence

start-up leadership skills and choice of strategies in Ethiopia. This will be done through a thorough examination of the relationships among the leadership competencies, formal and informal start-up leadership development processes and strategies, and the entrepreneurial activity construct.

Leadership and entrepreneurship literature will provide the key pillars of the theoretical framework guiding this study. According to available literature on start-up businesses and leadership competencies have shared the same historical journey. During early stages, the two disciplines focused on personality traits and demographic characteristics to distinguish start-ups and their leaders from non-start-ups and non-leaders (Schein, 1993). Afterwards, both disciplines focused on the behavioral factors that start-ups and leaders engage in to successfully influence their followers to achieve a vision (Vecchio, 2003). Thereafter, scholars shifted their focus to contextual or situational factors to link the effects of environmental realities in stepping into and participating in business start-up and leadership activities (Antonakis and Autio, 2007).

It follows, therefore, that it is important to understand how business start-ups can improve their entrepreneurial leadership capabilities for optimal performance of their firms. It is also important to understand how leadership discipline can benefit from start-up discipline especially how to cope in highly dynamic, disruptive and competitive environment. It can therefore be argued that entrepreneurial leadership is an agglutination of the two fields of study and as such borrows heavily from the two fields. Antonakis and Autio (2007) argue that an entrepreneur is an agent of social construction who steers the process through leadership behavior. Leaders and startup businesses were for a long time being studied in line with their exhibited traits, skills, and behavioral characteristics. The entrepreneurial leader effect in this study to startup performance is of great relevance and significance. The study will focus on the founders'/owners' as their leadership competencies greatly influence their startup business' performance. Some scholars argue that 'Founders'/Owners' effect' on startup performance is higher than that of industry and other firm effects.

The influence of leadership competencies is leveraged throughout a startup business thereby resulting in a substantial impact on its performance (Rosen, 1990). In addition, business startups are responsible for most employment growth in emerging economies, thereby having a significant impact on economic growth. Despite these facts, we know very little about the key entrepreneurial

leadership competencies required by the Founders'/Owners' of startup businesses in Ethiopia and how these Founders'/Owners' acquire and develop their entrepreneurial leadership competencies.

1.2. Statement of the Problem

Business literature recognizes leadership competencies as a factor in determining business startups' performance. Despite the instrumental role played by entrepreneurship in the development process, and the potential entrepreneurial leadership holds in enhancing firm performance, only a few empirical studies have focused on strategies through which leadership competencies of business startups can be acquired and developed in Ethiopian context.

From Business entrepreneurship literature, scholars identify several methods through which entrepreneurship is developed which include mentorship, coaching, formal training, and experiential learning. In Africa and more specifically Ethiopia, however, neither the precise ways nor the strategies of entrepreneurial leadership development nor the extent of its existence among startup business founders/owners has been documented. Without this knowledge, it is rather difficult to identify appropriate mechanisms to enhance entrepreneurial leadership development among Ethiopian startup businesses.

Existing studies based on Western economies have made an attempt to identify core entrepreneurial leadership competencies to include identifying and articulating a vision, business insight, leading change and innovation, motivating followers and enhancing creativity and autonomy, coaching followers and communicating effectively (Cheo et al, 2010). The main challenge is that attempts to examine these competencies in relation to the particular characteristics and realities of the Ethiopian start-ups are limited. Although some entrepreneurial leadership competencies may be generalizable, the Ethiopian business environment may require a unique set of competencies specific to the socio-cultural, political and economic realities. It is not clear the extent to which the Founders/Owners of these business startups possess the right combination of entrepreneurial leadership competencies. In addition, it is unclear which method or combination of methods is most suitable and effective in developing the specific leadership competencies.

In addition, scholars have emphasized the influence of socio-cultural environment and background of start-ups in the development of entrepreneurship, specific ways in which family and social groups influence entrepreneurial leadership development and choice of strategy in Ethiopia context is unclear. Some researchers argue that individuals learn to be entrepreneurial through their social context, formal education process or through experience. They have also suggested that individuals may be influenced by cultural, societal and institutional settings in acquisition and development of leadership capabilities (Kempster and Cope, 2010). However, these researchers fail to explore specific ways in which startups' family and social groupings enhance or inhibit acquisition and development of leadership competencies or influence the choice of entrepreneurial leadership development strategy.

Ethiopia is a multicultural society and there are indications that the cultural diversity may have led to variation in dimensions, processes, strategies and application of leadership competencies development. Some research out puts recognizes that entrepreneurial competencies can be learned. Furthermore, scholars point out that all learning is conditioned/affected by social, economic and political realities. Entrepreneurs in developing economies like Ethiopia face a different set of social, economic and political realities. Scholars in Western countries have identified a variety of competencies needed by startup business leaders and methods used in acquiring and nurturing these competencies. Nothing is known, however, what role leadership competencies will have on business start-ups and what methods of acquiring and developing them are important in Ethiopia as in places where research has already been done. There is therefore the need for understanding of the role leadership competencies on business start-ups construct in Ethiopian context especially in Textile start-up businesses.

1.3. Research Questions

The general research question that this study aimed to answer is: “what is the role of leadership competencies on the performance of start-up businesses in Ethiopia: the case of Textile MSEs at Shiromeda, Addis Ababa, Ethiopia?”

The study therefore addresses the following six specific research questions:

- 1) To what extent Analytic leadership competency affects performance of startups?
- 2) To what extent Personal leadership competency affects performance of startups?

- 3) To what extent Communication leadership competency affects performance of startups?
- 4) To what extent Managerial leadership competency affects performance of startups?
- 5) To what extent Disciplinary leadership competency affects performance of startups?

1.4. Objective of the Study

1.4.1. General Objective:

The overall research objective was to explain the role of leadership competencies on the performance of start-up businesses and to identify ways and strategies through which leadership competencies are developed among Textile business start-up founders in Ethiopia.

1.4.2. Specific objectives:

The specific objectives of the study were to:

- 1) To explain the effect of Analytic leadership competency on performance of startups.
- 2) To explain the effect of Personal leadership competency on performance of startups.
- 3) To examine the effect of Communication leadership competency on performance of startups.
- 4) To assess the effect of Organizational/Managerial leadership competency on performance of startups.
- 5) To determine the effect of Disciplinary leadership competency on performance of startups.

1.5. Significance of the Study

An economy needs more and more startups to flourish into larger corporations to fuel its growth. When more entrepreneurial firms join the fray, growth of entrepreneurship, employment and economy follow. Different Governments in the world that are struggling with high unemployment rate see early-stage companies sector as an important platform to make significant progress in creating new jobs and solving unemployment problems. This tells us startups are important. So

what are the factors affecting the success of startups and the critical success determinants. Those factors assist the concerned bodies to understand and manage startups better.

The findings of this study provide insights, contribute to and inform theoretical and empirical debates in the area of the role of leadership competencies in the performance of Start-Up businesses. It has implications for the practicing of theory of leadership in general.

This study also came up with a manageable framework pertaining leadership competencies development for start-ups. This study therefore contributes to future research that would further a better understanding of how leadership competencies affect start-up businesses and how they can be acquired and developed.

1.6. Scope/Delimitation of the Study

Conceptually, the study investigates various aspects of leadership competencies including: Analytical leadership competencies, Personal leadership competencies, Communication leadership competencies, Organizational/Managerial leadership competencies and Disciplinary/Positional leadership competencies.

Start-Up Business covers a wide area of issues and the theoretical framework encompasses the role of leadership competencies on start-up businesses engaged in Textile production and selling operations from economic performance perspective. However, the focal area of this study is more on personal characteristics of founders/owners and employees of the start-up businesses. Since there are different factors that affect the situation of the start-up business performance, this study did not address other factors. The study encompassed startup businesses in the Textile sector located at Shiromeda, Addis Ababa, Ethiopia, categorized into Micro and Small Enterprises (MSEs).

By 2014 E.C., there are 324 Textile startups which form the unit of case observation for this study. The study population is the 324 textile startups. The survey used purposive sampling technique and convenience sampling to obtain a sample size. Data were collected by using Leadership Competency Scorecard model.

1.7. Limitations of the Study

First, the research design might not be perfect since the cases to be selected were not comprehensive; so some of the participants may be considered as part of start-up partners. As a result of this, there might be a potential incomplete data sources. There was no clear way of dividing the participants into better groupings, so to keep it simple, the existing distribution split between good and bad performance of start-ups.

Second, the methods and collection of data may also be criticized. As mentioned earlier, leading questions might have created a bias in the original intentions of informants. On the other hand, one could argue that it is impossible to capture original intentions through interviews with absolute certainty, since the interviewees could be lying. One limitation could be the subjective interpretation when working with data analysis from using a qualitative approach. Furthermore, interview participants might believe their actions to have larger impact than in actuality. They might believe in what could be an illusion of control.

Third, cultural factors also shape the reality of start-ups. Also, industry factors may affect the study. Startups in other industries may not share the same characteristics. Examining leadership competencies from Textile start-up business could make transferability across cultures and industries difficult.

1.8. Organization of the Study

The study is comprised of five chapters. Chapter One included the background & problem statement of the study. A comprehensive review of the related literature was presented and discussed in Chapter Two. Chapter Three consisted of the research design, data collection methods, procedures, instrumentation, and data analysis technique. A discussion of the results of the data collected during this study was presented in Chapter Four. Chapter Five provided the summary, conclusion and recommendations.

1.9. Definition of Key Terms

Analytic Competency: knowledge and skill necessary for being reflective, self-aware, and thoughtful and attentive to one's own and others' feelings and purposes,

Business: an organization or enterprising entity engaged in commercial, industrial, or professional activities (Hayes, 2020).

Communication Competency: effective interaction in interpersonal, group, organizational, and public settings, writing and speaking, and facilitation, negotiation, and conflict resolution,

Competency: is described as a combination of a leader's knowledge and skill as "a measurable human capability that is required for effective performance (Ruben, 2006).

Disciplinary/Positional Competency: subject-matter knowledge and skills, job or sector-specific education or training, background experiences, job familiarity, organizational understanding, or professional development.

Leadership Competencies: are defined as the integration of practical, social and analytical skills, necessary to perform designated job responsibilities according to organizational and individual job performance standards. (Byne and Rees, 2006)

Leadership: is the influencing process of leaders and followers to achieve organizational objectives through changes. (Lussier & Achua, 2004)

Organizational/Managerial Competency: Vision setting, strategy development and execution, knowledge management, collaboration and empowerment, coaching, change and crisis management,

Personal Competency: individual's personal attributes, including cognitive capability, energy, conviction, character, and the expression of values, to be admired and perceived as a role model,

Startup business performance: is the financial and non-financial performance of the company

Startup: a temporary organization designed to look for a business model that is repeatable and scalable (Steve Blank, 2012)

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2. INTRODUCTION

This chapter focuses on relevant literature on leadership development. The chapter is divided into three parts. Part one is on the theoretical literature focusing on defining leadership and its theories. A review of the leadership literature reveals an evolving series of 'schools of thought' from “Great Man” and “Trait” theories to “Transformational” leadership. Whilst early theories tend to focus upon the characteristics and behaviors of successful leaders, later theories begin to consider the role of followers and the contextual nature of leadership. Part two will present empirical literature which will focus on leadership competencies, leadership competencies development and influence of the family and social groups on leadership development. Lastly, part three presents the study conceptual framework.

2.1. Meaning and Nature of Leadership

Organizational growth has been associated with leadership impact over a long period. Change in organizations can be tested through leadership styles adopted by leaders within different organizational setups. The literature on leadership impact has focused primarily on leadership styles, nature of leadership, advantages, and disadvantages of different leadership styles to both employees and organization. This research, however, attests that leadership roles in organizational performance are nevertheless likely to impact performance due to the ability of leaders, managers, professionals, or knowledge workers to work autonomously (Feraru, 2017).

Leadership can be defined as “the practice of winning over others to work at will in the direction of achieving organizational aims and objectives characterized by a high sense of confidence” (Lara, 2017). Leadership applies both intrinsic and extrinsic impacts on employee and general organizational performances. Ideally, leadership is regarded as the most visible part of management as it primarily deals with people. It deals with management functions of commanding, guiding, inspiring, initiating as well as activating. Leadership has been defined differently by different authors to refer to the act of impelling people to strive freely in the direction of achieving organizational aims (Brem, Maier, & Wimschneider, 2016).

Fawcett, Jones & Fawcett (2012) argued that leadership necessitates a need to advance not only ethics in work but also to have the willingness to go the extra mile with zeal and confidence. Additionally, leadership entails the use of authority, personal knowledge, and wisdom in the policymaking process. Moreover, leadership is be associated with a leader's ability to seek voluntary participation of employees to reach organizational objectives (Duan, Liu, & Che, 2018).

2.2. Theoretical Review on Leadership

The main aim of this chapter is to put leadership competency development into context by establishing its theoretical and conceptual underpinnings. As noted earlier, the main objective of this study will be to establish ways and strategies through which leadership competencies are developed among business startups and their founders/owners be a successful Textile businesses in Ethiopia. The specific objectives of the study will be: to identify personal characteristics of Founders/Owners of start-up businesses and investigate the extent and reason(s) why some methods and strategies of leadership competency development are more useful than others and to establish how business Size influences the business performance.

2.2.1. The Trait Approach to Leadership

The Trait Approach arose from the “Great Man” theory as a way of identifying the key characteristics of successful leaders. It was believed that through this approach critical leadership traits could be isolated and that people with such traits could then be recruited, selected, and installed into leadership positions. This approach was common in the military and is still used as a set of criteria to select candidates for commissions. Although there was little consistency in the results of the various trait studies, however, some traits did appear more frequently than others, including: technical skill, friendliness, task motivation, application to task, group task supportiveness, social skill, emotional control, administrative skill, general charisma, and intelligence. Of these, the most widely explored has tended to be “charisma” (Stogdill, 1974).

2.2.2. The Behavioral School

The results of the trait studies were inconclusive. Traits, amongst other things, were hard to measure. How, for example, do we measure traits such as honesty, integrity, loyalty, or

diligence? Another approach in the study of leadership had to be found. After the publication of the late Douglas McGregor's classic book *The Human Side of Enterprise* in 1960, attention shifted to 'behavioral theories'. McGregor was a teacher, researcher, and consultant whose work was considered to be "on the cutting edge" of managing people. He influenced all the behavioral theories, which emphasize focusing on human relationships, along with output and performance.

a) McGregor's Theory X & Theory Y Managers

Although not strictly speaking a theory of leadership, the leadership strategy of effectively-used participative management proposed in Douglas McGregor's book has had a tremendous impact on managers. The most publicized concept is McGregor's thesis that leadership strategies are influenced by a leader's assumptions about human nature. As a result of his experience as a consultant, McGregor summarized two contrasting sets of assumptions made by managers in industry (McGregor, 1960).

Theory X managers believe that:

- The average human being has an inherent dislike of work and will avoid it if possible.
- Because of this human characteristic, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort to achieve organizational objectives.
- The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all else.

Theory Y managers believe that:

- The expenditure of physical and mental effort in work is as natural as play or rest, and the average human being, under proper conditions, learns not only to accept but to seek responsibility.
- People will exercise self-direction and self-control to achieve objectives to which they are committed.
- The capacity to exercise a relatively high level of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population, and the intellectual potentialities of the average human being are only partially utilized under the conditions of modern industrial life. It can therefore be seen that a leader holding Theory X

assumptions would prefer an autocratic style, whereas one holding Theory Y assumptions would prefer a more participative style.

b) Blake and Mouton's Managerial Grid

The Managerial Grid developed by Robert Blake and Jane Mouton focuses on task (production) and employee (people) orientations of managers, as well as combinations of concerns between the two extremes. A grid with concern for production on the horizontal axis and concern for people on the vertical axis and plots five basic leadership styles. The first number refers to a leader's production or task orientation; the second, to people or employee orientation. Blake and Mouton propose that "Team Management" - a high concern for both employees and production - is the most effective type of leadership behavior.

2.2.3. The Contingency or Situational School

Whilst behavioral theories may help managers develop particular leadership behaviors they give little guidance as to what constitutes effective leadership in different situations. Indeed, most researchers today conclude that no one leadership style is right for every manager under all circumstances. Instead, contingency-situational theories were developed to indicate that the style to be used is contingent upon such factors as the situation, the people, the task, the organization, and other environmental variables. The major theories contributing towards this school of thought are described below.

2.3. Scope and Components of Leaders and Followers

The models discussed so far have dwelt on the leader as some frontal figure who stands out from the rest as being somehow different and "leading" the rest of the people. The discussion now moves to recognition of the importance of the leaders' relationship with his/her followers and an interdependency of roles. No longer the hero or solo leader but the team leader. Not the leader always out in front but the leader who has the capacity to follow. Not the master, but the servant.

2.3.1. Servant Leadership

The notion of “Servant Leadership” emphasizes the leaders’ duty to serve his/her followers - leadership thus arises out of a desire to serve rather than a desire to lead Robert Greenleaf, founder of the Center for Servant Leadership describes it as follows: (Robert Greenleaf, 1970)

“The servant-leader is servant first... It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. He or she is sharply different from the person who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions. For such it will be a later choice to serve – after leadership is established. The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature”.

Characteristics of Servant Leaders are as follows: “Servant-Leadership is a practical philosophy which supports people who choose to serve first, and then lead as a way of expanding service to individuals and institutions. Servant-leaders may or may not hold formal leadership positions. Servant-leadership encourages collaboration, trust, foresight, listening, and the ethical use of power and empowerment.” (Robert Greenleaf, 1970).

2.3.2. Team Leadership

In the late 1970’s, Meredith Belbin conducted a study of teams focusing on the factors separating successful and unsuccessful teams via a college business game at Henley a feature of which was shared leadership. Through the game Belbin found that the composition of the team was important and that individual differences in style, role and contribution far from underlining personal weaknesses, were a source of potential team strength. Balanced teams comprised of such individuals who engaged in complementary role behavior performed better than unbalanced teams (Belbin, 1993).

2.3.3. Transactional and Transformational Leadership

James MacGregor Burns writing in his book ‘Leadership’ was the first to put forward the concept of “transforming leadership”. To Burns transforming leadership “is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents”. Burns went on to also further define it by suggesting that: “Transforming

leadership occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality...”

Burns sees the power of transforming leadership as more noble and different from charismatic leadership, which he terms ‘heroic’ leadership, and executive or business leadership. Despite this it is surprising that most of the application of Burns’ work has been in these two types of leadership.

Both kinds of leadership are necessary. Transactional leadership has remained the organizational model for many people and organizations that have not moved into or encouraged the transformational role needed to meet the challenges of our changing times.

Hooper and Potter (1997) extend the notion of transformational leadership to identify seven key competences of “transcendent leaders”: those able to engage the emotional support of their followers and thus effectively transcend change.

- 1) Setting direction
- 2) Setting an example
- 3) Communication
- 4) Alignment
- 5) Bringing out the best in people
- 6) The leader as a change agent
- 7) Providing decision in a crisis and on the ambiguous

2.3.4. Dispersed Leadership

The importance of social relations in the leadership contract, the need for a leader to be accepted by their followers and a realization that no one individual is the ideal leader in all circumstances have given rise to a new school of leadership thought. Referred to as ‘informal’, ‘emergent’ or ‘dispersed’ leadership, this approach argues a less formalized model of leadership where the leaders’ role is dissociated from the organizational hierarchy. It is proposed that individuals at all levels in the organization and in all roles (not simply those with an overt management dimension)

can exert leadership influence over their colleagues and thus influence the overall leadership of the organization (Brem, Maier, & Wimschneider, 2016).

2.4. Leadership Competencies

Innovation is a powerful driver for organizational achievement. However, this concept is affected by the knowledge and competencies constructed in a leader. In this case, leaders need to be responsible for the innovation as they make the latter happen within their organization. It has been noted that most leaders lack this concept, and therefore they fail to be the drivers of innovation within their organizations (Gumusluoglu & Ilsev, 2009). This, thus, becomes a topic worth researching to determine the role that leadership competencies play in driving innovation within their organizations.

Moreover, when leaders have the needed skill to stimulate creativity and innovation, members also become inspired, thus making an organization has the capacity for achievements. In the current business world, exceptional business performance mainly depends upon an organization's ability to support the creativity of its employees and develop innovative projects. It would not be wrong to regard that an organizational culture that is supportive of creativity or allows its members to pursue 'out of the box' techniques for problem-solving is a pre-requisite for driving innovation in the business and fostering growth. Besides, it is the potential of leadership to take advantage of such a favoring environment and work closely with his team to develop disruptive ideas and products (Brem, Maier, & Wimschneider, 2016).

Since every leader lies on a different point in the continuum to stimulate creativity, different leadership styles are likely to have a difference in impact on innovation management. The following are individual leadership styles that foster creativity. Critical competencies for each kind of leader have been highlighted. Since not a single method of leadership ideally fits for stimulating innovation processes, it would be essential to highlight the critical leadership competencies that support innovation (Zhang, Zhao, & Lyles, 2018).

2.4.1. The Relationship between Knowledge and Skill, Theory, and Practice

The decision to use the term competencies to refer to what might otherwise have been called dimensions, capacities, or capabilities was purposeful. To a greater extent than other terms, it was thought that “competency” would convey the sense that both knowledge and skill are important elements of leadership efficacy. Knowledge refers to leaders’ understanding of a concept. Skill refers to leaders’ success in applying this knowledge effectively (Ruben, 2006).

The two dimensions of competency are complementary and, ideally, mutually reinforcing. An understanding of the nature and value of a particular competence can increase the likelihood that one will be able to apply the skills associated with a competency area across settings and circumstances. Similarly, well-developed skills in a particular competency area can contribute to one’s understanding of the nature, value, and impact particular behaviors may have. Thus, conceptual understanding can enhance behavioral effectiveness, and vice versa (Ruben & Fernández, 2013). The key point is that competency is conceived to have two facets - understanding (theory) and behavior (skill) - both of which are important to leadership development and efficacy.

2.4.2. The Leadership Competencies Scorecard (LCS)

Based on the competency framework (Figure 2.3) below, the Leadership Competencies Scorecard (LCS) was developed. The LCS provides an inventory that includes the five competencies discussed and allows for an assessment of both knowledge and skill levels. Two five-point rating scales are provided for each of the 35 competency dimensions: one for “understanding of the concept” and another for “effectiveness in practice.” Version 2.0 of the LCS (Ruben, 2006).

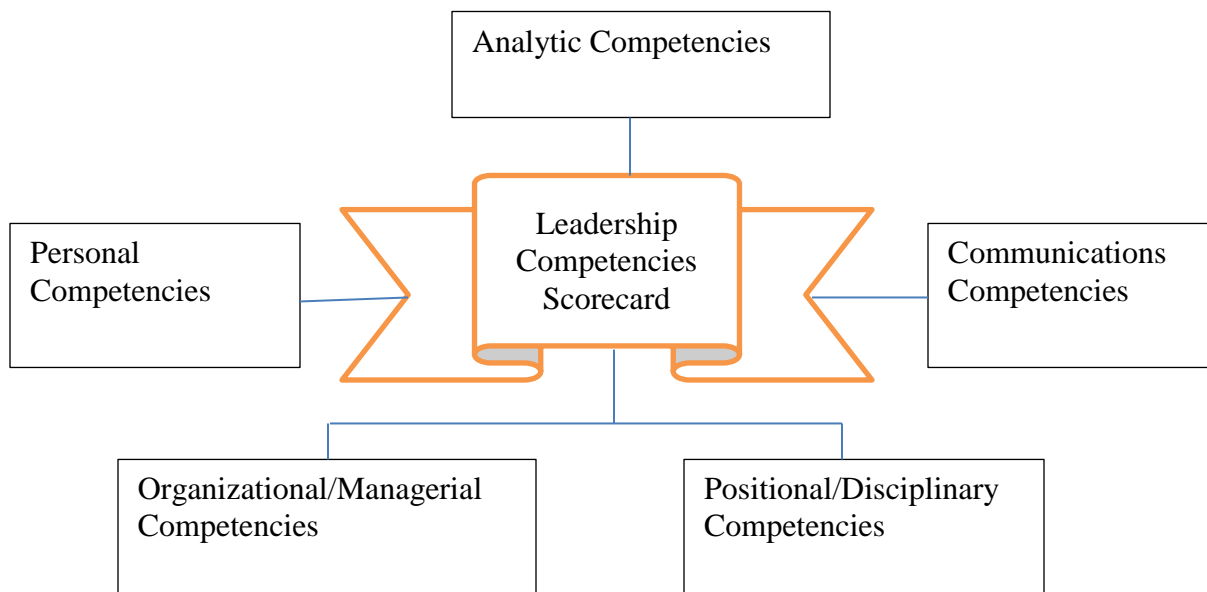
As previously noted, an understanding of the concept is viewed as a useful foundation for conceptualizing leadership and can be invaluable for adapting one’s skill set to varying situations, organizations, cultures, or sectors. As noted, effectiveness in practice, with reflection and thoughtful adaptation, can be critical to influential leadership across contexts. Again, both knowledge and skill are key components of a competency. For example, a “5” might be the most appropriate rating for an individual’s understanding of the principles and practices of vision-setting and goal attainment, but the same individual may be rated a “1” or “2” with regard to being effective in practice - perhaps due to inexperience, a lack of skill, or an absence of motivation.

Specific scoring instructions accompany the LCS in the Appendix. Once the scorings have been completed, as explained in the figure, the results can be quite useful for identifying one’s strengths and areas for improvement across these competency themes (Ruben, 2012). Suggestions for using the scoring outcomes include the following:

- compare results across the five core competency areas;
- compare results across the 35 competency themes;
- compare results for “understanding” and “effectiveness” across all 35 competency themes; and
- identify competencies regarded as particularly important in specific positions or settings,
- Clarify areas of strength to be leveraged and areas of weakness to be improved.

The LCS was designed to be used for self-assessment or in a 360-type review whereby one receives input from a variety of individuals, including friends, colleagues, supervisors, family members, and significant others. When the scorecard is used to assess others, the ratings may be limited to “effectiveness” as it may be difficult to assess others’ levels of understanding or knowledge of particular dimensions (Ruben, 2012).

Figure 2.3: Leadership Competency Scorecard (LSC 2.0) Five Major Competency Areas.



Source: B. D. Ruben (2006).

A competency framework is presented here developed in an effort to help those who found themselves overwhelmed by the breadth and complexity of discourse on leadership, and particularly those who came to this vastness with particular goals related to understanding and enhancing their efficacy in personal, professional, social, or community settings (Ruben, 2006). It was also created to help those who wish to design or validate professional development programs focused on leadership. The competency framework was initially published in 2006 in *What Leaders Need to Know and Do* (Ruben, 2006), and revised slightly in 2012 and 2017 to reflect evolving concepts in the field (Ruben, 2012; Ruben, De Lisi, & Gigliotti, 2017).

A thematic and cluster analysis of the dimensions of leadership identified in the literature review described above resulted in the identification of five major areas of focus (Ruben, 2006):

Analytic Competencies: One category of factors often described as important to leadership efficacy relates to the knowledge and skill necessary for being reflective, self-aware, and thoughtful and attentive to one's own and others' feelings and purposes. These analytic competencies also include clarifying situations and problems, assessing stakeholder and system issues, considering and selecting among alternative strategies, and factoring in relevant data and historical accounts in planning and implementing strategies and evaluating outcomes.

Personal Competencies: Perhaps the most traditional and familiar thematic area is one that focuses on an individual's personal attributes, including cognitive capability, energy, conviction, character, and the expression of values _ factors that generally lead one to be admired and perceived as a role model by others because of their character, conviction, and high standards.

Organizational Competencies: Included in this competency cluster are vision setting, strategy development and execution, knowledge management, collaboration and empowerment, coaching, change and crisis management, and the range of administrative capabilities judged to be important to an individual's leadership effectiveness in group, organizational, and community settings with varying purpose, function, and size.

Positional Competencies: The competencies associated with this cluster include subject-matter knowledge and skills deemed necessary for effective leadership within a specific field such as

business, health care, sports, politics, religion, education, social work, or library administration. Included in this category are context-, job-, or sector-specific education or training, background experiences, job familiarity, organizational understanding, or professional development.

Communication Competencies: This competency cluster includes the knowledge and skills required for effective interaction in interpersonal, group, organizational, and public settings – including both message-sending and message reception in varying contexts and with varying individuals and groups. Specific communication dimensions include establishing credibility and trust, persuasion, interpersonal relations and team-building, listening and question asking, writing and speaking, diversity and intercultural relations, and facilitation, negotiation, and conflict resolution.

These five competency areas - each with seven subthemes, or sub-competencies, are shown in Figure 2.4. These competency and sub-competency areas are described in some detail in *What Leaders Need to Know and Do* (Ruben, 2006) and in Ruben et al. (2017), with attributions to the original sources in each case.

Figure 2.4: Five Major Competency Themes.

Analytic Competencies	Personal Competencies	Communication Competencies	Positional Competencies	Organizational Competencies
Self-Assessment	Character, Personal Values, & Ethics	Credibility & Charisma	Education	Vision-Setting
Problem Definition	Cognitive Ability & Creativity	Influence & Persuasion	Experience	Management & Supervision
Stakeholder Analysis	Enthusiasm	Interpersonal & Group Orientation	Expertise	Information & Knowledge Management
Systems/Organizational Analysis	High Standards	Listening, Attention, Question-Asking, & Learning	Knowledge of Sector	Technological Capability
Analysis of Technology to Support Leadership	Personal Conviction & Persistence	Public Speaking, Presentation Skills, Debate, & Discussion	Knowledge of Organization	Empowerment & Supportiveness
Problem Solving	Self-Discipline & Self-Confidence	Diversity & Intercultural Orientation	Familiarity with Task Type	Teaching & Coaching
Review & Analysis of Results	Tolerance for Uncertainty & Risk-Taking	Role Modeling	Language & Vocabulary	Facilitation & Negotiation

Source: Ruben et al. (2017)

2.4.3. Conceptualization of Startups

A company at the early stages of its operation is called a startup (Gurel, 2015). Startups can enter an existing market or in other times unbolt new market with new and innovative products or service (Stubner, 2007). Startups are vital to the economy of one's nation (Basu, 2015) including Ethiopia and the construction industry is one of the most promising startup businesses in Ethiopia. It is rational to assume in evolutionary terms the history of small businesses and organizations (Simon, 1993) and the history also supports the evolution of organizations. This history lacks enough attention on the very early stages of a company which is the startup phase (Salamzadeh A., 2015). Yes existing literatures didn't study the early phase enough but there are many studies that examine controversial issues in this particular domain (Salamzadeh A., 2015). The work of different scholars in management, organization and entrepreneurship and other related fields who choose to pursue this field will shape the profoundly the application of theories to make a clear picture of these entities. It is stressed that studies of startups are very important due to the following related reasons;

- i. Most startups fail in the early stages of and others turn themselves in to companies – “high rate of failure” (Vesper, 1990),
- ii. Failure occurs due to lack of finance, problems of team management, lack of business knowledge, technology gap and etc.- “startup problems”(Núñez, 2007),
- iii. Those that turn into companies will play a significant role in the economy- “success stories”(Martinsons, 2002),
- iv. The black box called “valley of death” (Hudson, 2013).

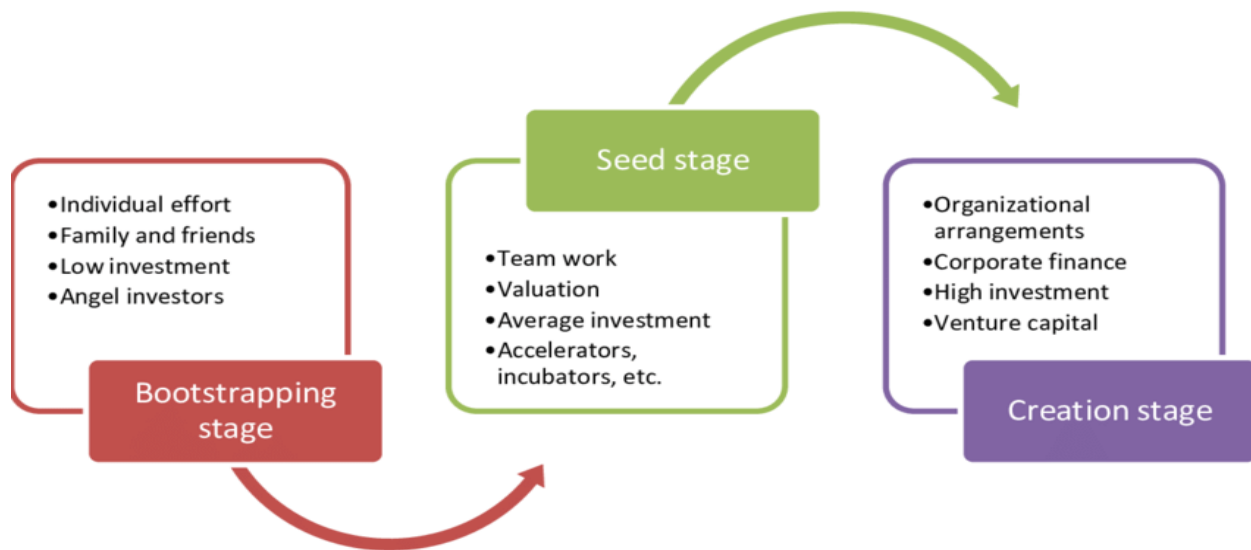
This mentioned black box is more of a metaphor than a well-defined stage like the others but it is so called black box is well studied, the startup itself is ignored as the level of analysis- “startup stage (Van de Ven, 1984)”.’

a) Startups; Lifecycle and Characteristics

The early-stage companies sectors are viewed as an important platform to make considerable progress for the creation of new jobs especially by government that are struggling with high unemployment rate. They are also viewed as a key catalyst for change for some groups in the society seeking change. The Obama Administration motivated its Startup America Partnership as follows: “Companies less than five years old account for all of the net growth in our country between 1980 and 2005”. Before examining the critical factors that determine the success or

failure of startups, it is essential to understand the life cycle of startups first. Startups are diversified and complex in nature, but they have their own lifecycle as any other organization. The sequence of activities and stages might vary among different startups; but here in this paper a holistic perspective is presented to offer a better understanding of the lifecycle of startups (Salamzadeh A. F., 2015). The stages explain what startups go through in their life time. The stages are as described in the figure below.

Figure 2.5: Life cycle of Startups



Source: <https://www.google.com/search?q=life+cycle+stages+of+startups&source>

New technology based companies also known as startups are born each year since there is a growing trend of towards new innovative businesses all over the world (Hormiga et al., 2010). The study by (Krejcie) indicated that a Startup is a new and temporary company that has a business model based on innovation and technology. Also, these types of companies have a budding for rapid growth and scalability. Startups are also known for their contribution to economic stability, growth, and job creation as governments around the world verify. The concept of startups is more related to companies that are beginning or in their earliest stages of development (Sulayman al, 2014) and (Spiegel al., 2015).

As a new model of social and economic growth in the most dynamic markets of the world, the figure of startup has acquired key significance and startups are important for the development of any country's economy in particular for developing countries. As more startups thrive into large

companies they fuel the economy. The development of entrepreneurship, employment and economy follows as a result of more entrepreneurial firms joining the scuffle. There are numerous challenges in converting startups into larger firms. Since there is a high rate of failure in the construction industry only few entrepreneurs can go against the tide and achieve success. So it is safe to say the survival rate of startups established by entrepreneurs is low leaving many startups exposed to the hardship of failure (Pena, 2002).

The characteristics of startup is hard to be explained in one dimension so different dimensions are used. Based on startup characteristics on literatures (R.E Quinn, 1983), (D. Miller, 1984), (D.L Lester, 2008), (M. Scott, 1987), and (Lippi, 2013) characteristics are classified into four different dimensions: Organization (the character of the startup organization), Ownership (characteristics of owner, decision making, and supervision), Strategy and Innovation, and Financial. These list are built up from the previous literature, the similar characteristics that fall under those four are grouped as one. In the table below the characteristics of startup companies in different dimensions are summarized.

Most of startup organizations are organic organization that are very flexible and are able to adapt well to changes with high centralization (Gurianova, 2014), thus provide flexibility in decision making and are quiet adaptive. Most startup has simple organization structure (D.L Lester, 2008)that has many characteristics, such as low departmentalization, wide span of control, centralized authority and low formalization (Robbins, 2013). Most startups owner are also the manager of the company that make decisions. Reference (McMahon, 2007) startups are classified into four class of owner manager. In decision making startup is characterized by intuitive decision making.

Startups sometimes has established competitor thus they prefer specialist or niche marketing (Escalante, 2006). Startups have high rate of innovation and as a result prefer first mover strategy (Lester, 2008). Startups are also mostly funded by personal savings or from relative (Scott, 1987). The other option is using bootstrap financing, a method of funding with modest personal funds (Hormozi, 2002).

2.4.4. Leadership Competencies in Startups

On a general level, the vast literature on leadership focuses on the ability of leaders to influence a group of followers and highlights the relationship among three key factors: the leader, the followers, and the landscape (Gupta, MacMillan & Surie, 2004). While the consideration of context has often been postulated, it has mostly been neglected. The context of startups has seldom been subject of empirical studies, as shown in the systematic review of leadership literature. Startups operate in a unique context which is characterized by lack of financial capital, human resources, and hierarchical authority (Zäch & Baldegger, 2014).

The context of early prefunding stage creates extreme conditions and is key for this study. However, there was a lot of broad literature and research, but very little that is closely related to this specific context, regarding leadership behavior towards initiating startup business. It was useful and necessary to narrow down the literature review and research publications to the area's most relevant. In the context of startups and relevant for the main research question, there were five areas of interest in relation to leadership competencies which are to be examined specifically in the context of startups (Northouse, 2018).

Addressing these and many other important questions, and summarizing the vast array of leadership perspectives, theories, concepts, contexts, and guides, is beyond the scope of this chapter or this study. The value and complexity of this type of study are apparent in the work of authors whose goal is to provide an encyclopedic approach to the topic (Northouse, 2018) and those who seek to provide a single integrating perspective (Hernandez, Eberly, Avolio, & Johnson, 2011).

2.4.5. The Competency Framework in Relation to Leadership in Startups

A broad definition was discussed of leadership as a communicative process of social influence (Ruben et al., 2017; Ruben & Gigliotti, 2019). Those discussions make clear that when it comes to understanding and explaining leadership dynamics, the competencies of an individual leader represent just one constellation of factors among many that may affect outcomes. The perspective adopted in this competency framework emphasizes an individual's personal knowledge and purposeful behavior; however, as noted earlier, it is important to be mindful of the ways in which influence also occurs as a consequence of a range of unintentional leader behaviors, situational

factors, follower susceptibilities and capabilities, attunement between the leader and potential followers, and a number of additional perspectives and factors discussed extensively in the leadership literature (Northouse, 2018; Ruben & Gigliotti, 2019).

Additionally, leadership is understood to occur in both formal and informal settings. The competencies identified in the LCS are considered potentially relevant for informal as well as formal leaders. By focusing on one's competencies in informal leadership roles, individuals can refine their understandings and skills, and explore and experiment with the application of these competencies in less formalized and public settings and often less consequential.

In general, the competency framework is meant to be heuristic (empirical or experiential) device for thinking through the knowledge and practice of behaviors associated with effective leadership. The organization of competencies found to be important by scholarly, professional, and popular authors on the topic of leadership is viewed as helpful for assessment, leadership development efforts, and encouraging research. Additionally, the framework can be implemented to promote self-reflection and to heighten one's knowledge of the factors over which an individual leader has potential control, and identifying competencies that might be further developed recognizing always that these factors are only some of the many that influence leadership outcomes.

As individuals continue to adapt to changing environments, the LCS can facilitate efforts of aspiring and current leaders to broaden their portfolio of knowledge and skills, and to have more options and strategic choices available for analyzing leadership needs and employing appropriate skills in varying situations. As is explored in subsequent chapters, the framework is also useful for addressing questions about the extent to which particular competencies are sector- or setting-specific in their importance, and for comparative studies of leadership efficacy in varying roles and circumstances.

2.5. Empirical Review on Textile Startups

Some of the studies that have been conducted on the performance of MSEs, though not exhaustive and in-depth, indicate that MSEs have been facing many challenges to grow and achieve the targets of higher graduation to medium enterprises. There is no systematic study on the constraints

and challenges to growth and productivity of MSEs which, in turn, determine their graduation, competitiveness, and survival. Therefore, it seems that it is the right time to undertake a thorough investigation of constraints to growth and productivity of MSEs and indicate policy directions in order to provide the necessary line of support if these firms are to overcome the constraints and challenges and graduate to the state of high productivity, sustainability, and competitiveness.

Productivity – the measure of efficiency of firms in converting inputs into outputs - is the most important determinants of the competitiveness, survival, and growth of MSEs (Syverson, 2011). The literature indicates many factors as determinants of productivity of firms some of which are internal characteristics of the firm while others are exogenous. The internal factors include both the characteristics of the individual entrepreneur and the firm: education, age, gender, ownership/management structure, firm age, informality, delegation, etc. while the external factors include infrastructure, regulations, trade policies, development and accessibility of the financial system (Bloom and et.al, 2010).

In Ethiopia, a study by the World Bank (World Bank, 2007) identified high tax rates, inefficient and unpredictable tax administration, lack of access to foreign credit and domestic credit, corruption, cost of financing, skills and education of workers, transportation, business licensing and administration, and labor regulations as major constraints to the growth of MSEs. A recent study by Ministry of Urban Development and Construction (MUDC, 2013) reported that among the most important constraints that MSEs face in Addis Ababa are lack of access to land, access to financial services, and access to market. These and related factors are identified to explain the high mortality rates of MSEs in the City and the country in general (Bekele and Worku, 2008). To make the jobs that MSEs created and their contribution to the overall economic goals of the country, it is crucial to know what exactly leads to the high mortality rates and also low productivity and low growth and therefore low graduation rates of these enterprises.

Their links with financial institutions and with TVETs would also have paramount importance in addressing the sector's growth and the contribution to the industrial developments at large. Furthermore, the capacity and performance of support providing institutions including the one which leads the sector would determine the success of MSEs in a city/country. The above

assertion is based on well-documented empirical evidence from studies conducted in Ethiopia and other developing countries (MUDC, 2013).. For instance, lack of markets, financial constraints, and lack of skills (both skills specific to their production activities and managerial skills) are among frequently cited problems explaining low productivity, low growth, and low survival rates of MSEs. This makes the study of the existing linkages of MSEs within themselves, with medium and large manufacturing firms, the financial institutions, and TVETs crucial to understand and address the problems of MSEs in the City.

Inadequate access to credit and other financial services from formal financial institutions has long been recognized as a constraint on the growth and survival of the MSEs in developing countries. According to cross country evidence, loans channeled to small and medium enterprises accounted for about 3 percent of GDP for developing countries while it was 13 percent for developed countries (Ardic, Mylenko and Saltane, 2011). Numerous studies that use firm-level survey data demonstrated that access to finance and the cost of credit have posed barriers to performance of MSEs. Operators of MSEs have faced external financial constraints due to lack of collateral, difficulties in proving creditworthiness, small cash flows, inadequate credit history, high risk premiums, underdeveloped financial institutions-borrowers/MSEs linkages and high transaction costs (IFC, 2009).

Alike other sub-Saharan African countries (such as Ghana, Nigeria, Kenya) (Nkuah et al., 2013) , MSEs in Ethiopia are facing financial problems despite the government's target to facilitate comprehensive support to MSE operators among which is provision of micro credit and linking them with financial institutions: banks and micro financial institutions. According to the study by Ministry of Urban Development and Construction, cited above, it is found that about 42 percent of 3000 MSEs sampled from 13 major cities have faced financial constraints. In Addis Ababa, over one-fourth of sampled MSEs have been constrained by shortage of credit.

Another study (Brhane Tadesse, 2014) found that in Debre Markos town (Amhara Regional State), MSEs in the town have limited access to credit due to lack of appropriate collateral, high interest rate, untimely loan disbursement and less loan size. The question here is the controversy that on the one hand the government has emphasized the provision of credit to MSEs and on the other hand operators have complained about shortage of financing.

The literature reports that the skill and education of workers are among the most commonly raised problems for the development of micro and small enterprises (MSEs) in Ethiopia (Bekele and Worku, 2008). These findings are in line with both theoretical and empirical works on the subject matter that show that these two factors are key determinants of productivity of firms. Productivity, in turn, is the most important determinant of competitiveness, survival, and growth of firms (Syverson, 2011). Skill and education of workers are among factors categorized as internal factors and recent researches indicate that they explain more of the productivity and growth variation across firms (Bloom et al., 2010).

There are many challenges MSEs face in their operations that hinder their growth as an instrument for political and economic transformation of Ethiopia especially from the performance and support provision of the support providing institutions. Some of these challenges are internal while others are external to the enterprises. The data collected from the enterprises from the regional towns reveals that most of the MSEs complain about lack of finance (42%) to expand their business followed by the lack of working premise (28.3%); while the third constraining factor is identified to be lack of access to market or absence of linkage to market (MUDC,2013).

Managerial skills of a business refer to how it supervises its operations, marketing and financial activities. In the context of MSEs managerial skills represent the basic knowledge of financial planning, marketing and control of one's operation and the familiarity with standard business practices. The effect of managerial skills in MSEs is multi-faceted. It improves the operational efficiency of the enterprise; better marketing of the enterprises' products; and proper management of finance and continued access to credit facilities (Bekele and Worku, 2008).

Regarding operational efficiency, managerial skills increase the productivity of physical assets as well as the human resource of the MSEs via various channels. Firstly, enhanced managerial skills ensure regular maintenance of equipment and machineries that reduce probability of failure which in turn improves the productivity of physical assets. Secondly, entrepreneurs with better managerial skills better motivate their employees and better coordinate their tasks which could increase labor productivity. Thirdly, managerial skills improve inventory management that reduces lost sales through stock outs. A study in Kenya has shown that retailers forgo substantial

amount of profits due to daily stock outs and missed discounts from not purchasing in bulk (Prediger Sbastian and Gudela Gut, 2014). This could have been avoided had the owners been engaged in inventory planning.

The financial management aspect of management is also of paramount importance. In this regard, it requires the capacity to prepare financial plans, and remember and understand the day to day transactions of the MSE. This requires record keeping and accounting and the owner's ability to set out financial forecasts. A study in Zambia, for instance, revealed that micro and small enterprises fail to secure loans due to insufficient business records (Prediger Sbastian and Gudela Gut, 2014). In addition, lack financial knowledge and lack of financial planning hinders MSEs from taking advantage of the range of financial products availed by formal financial institutions.

In a nutshell, managerial skills of the startup owners (managers) of micro and small enterprises are the fundamental ingredient of productivity, growth and graduation of the MSEs because lack of managerial competence hampers the efficient performance of MSEs. The fundamental requirements for successful operation of a startup business at MSE level are evident. First of all; citizens who wish to be engaged in the business should have the basic or minimum technical knowledge and skill required for the specific manufacturing business. And the qualification of the would-be members of the startup enterprise should be checked before forming the MSE. In addition, even though such an MSE business is, by its nature, labor intensive, still, the workers need to acquire the basic tools and machineries needed for the MSEs work.

2.6. Conceptualization of Business Performance Success

Organizational performance is the contrast of organizational aims and objectives with its real performance through leadership influence, market performance, and financial performance. Organizational performance is highly connected to the ideas of effectiveness and efficiency. Businesses (organizations) are required to produce the right things. They must present them with various possible inputs, one being a strong leadership pillar to have effective organizational performance (Fawcett, Jones, & Fawcett, 2012). Leadership is fundamentally crucial in that bad leadership affects the organization's ability to retain and motivate employees, and thus this lowers morale and organizational productivity. "Bad" leadership, however, tends not to value

communication with employees and more so it doesn't factor employees' contribution towards organizational success. This study aims at relating the three aspects, which are leadership impact, innovation and organizational performance (Julien, 1996).

The term success has different meaning to different people. The way an entrepreneur defines it differs from that of an investor or a client. An entrepreneur could define success as whether the business generates greater revenue. While an investor defines it as if the company where he or she invested in allows them to earn more money. Others can define it as the fulfillment of their personal goals. The following definitions by different authors found in different studies can help us understand the term success from different perspectives. There is no single definition of success but for the purpose of this paper combination of the following definitions mentioned in the table below are used.

Success is defined differently from different fields and industries and accordingly there are different factors affecting and determining it. A study by (Beckman, March, 1996) suggests that an experience in business is a major factor of success for small firms. Another study by (Costa, 1994) indicates for a long-running success of businesses strategic planning plays a great role. Quality, customer focus, innovate marketing practices, flexibility and employee empowerment are also other factors of success (Zetlin, 1994). (Filley, 1991) defined several tools for the success of small firms; good management techniques such as appropriate operating strategies, leadership and time management, good financial management and pricing strategies, motivational strategies for employees, and ensuring the hire of employees with ability. There has been other several studies conducted that have looked at suitable management and financial planning and skill development of managers.

(Dyke, 1992) found that Successful business performance in small businesses environments are mainly achieved by the significant influence of management experience. Knowledge, management, manpower, materials, plant, equipment and finance can also be the factors that determine the success of a company. Success in turn is influenced by diverse factors. According to different authors there are diverse factors that influence the success of startups.

In general, Startup companies are companies at the early stage of their operation. Like other organizations startups also have their own lifecycle that determines their journey. The factors that determine the success or failure of startups can be better understood from understanding the life cycle of startups first. The most general perspective to understanding life cycle of startups defines the stages as Bootstrapping, Seed and Creation Stage. As many authors agree startup companies in developing countries are critical for the development of the any industry and the economy of the country as a whole. The case in our country is no different. Startups are characterized by their small scale organization, young age, homogeneity environment, informal structure, centralized and intuitive decision making, flat organizational structure, niche marketing strategy, first movers and fast innovation.

2.7. Conceptual Framework/Model

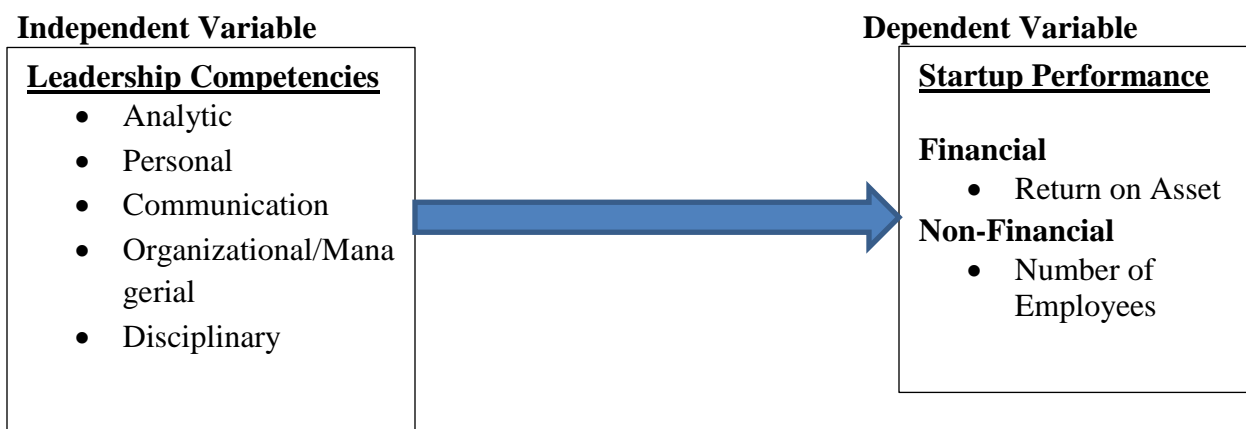
The survey compiled data from the founder/Owner/leader, from employees and government officials. The survey for the founder/Owner covered questions about the performance of the start-up in general as well as some personal questions. The employee survey gathered information on the leadership behavior of the founder/owner and personal data. The variables to be used for the underlying study are explained below.

Independent variable: leadership competency. To operationalize the leadership competencies of the founder/Owner and that of the employees, the researcher utilized the leadership competency scorecard (LCS) 2.0. For this research, the researcher used the leadership competency scorecard (LCS 2.0) form developed by B-D-Ruben (Ruben, 2006). It has been used in a series of other studies in which its validity and reliability have been verified. The questionnaire has been elaborated to measure the LCS model. On the basis of the original versions of the LCS published in 2006, several different versions have been developed and empirically tested. This survey comprises 35 items that examined five factors represented by 35 items that are integrated into the questionnaire to measure leadership competencies: Analytical, personal, communication, organizational and Disciplinary competencies. Respondents were required to assess items on a Likert-scale of 1 (Strongly Disagree) to 5 (Strongly Agree).

Dependent variable: start-up performance. The Owner/leader and employees were required to evaluate the success of their start-up firm. In this context, business growth is often used as a

performance indicator in entrepreneurship research. Therefore, business growth is included in the survey, supplemented by the relationship between business growth and pre-established goals, that is, return on assets and entrepreneurial behavior. The comparison of business growth with the pre-established goals was investigated. Comparison with the owner/leader between businesses is also a widely applied method of operationalizing performance.

Figure 2.3: Conceptual Framework for The Role of Leadership Competencies on the Performance of Startups in the Textile Industry.



Source: Researcher's adaptation (2022)

CHAPTER THREE

RESEARCH DESIGN & METHODOLOGY

3. INTRODUCTION

The methodology employed in executing the study under the following sub-sections: Research design, Research procedure, Data collection, Study variables, Data analysis and Ethical issues. The methodology defines what the research activity is, how to proceed, how to measure progress, and what constitutes success. A study methodology can therefore be seen as a way to systematically solve the research problem; it can be understood as a science of investigating how research is done (Creswell, 2003; Singleton et al, 1988).

This study used primary and secondary data collected from start-up business Founders/Owners, employees and Officials of leadership experts through a survey of case study method. This is intended to help improve the validity of results and allow for complementarity in data collection for purposes of attaining high levels of completeness. As a result, two research data collection methods that were adopted. The study involved two levels of data analysis i.e descriptive and inferential techniques.

3.1. Description of Study Area

The study was conducted in Addis Ababa, Gullele Subcity, Shiromeda area. Textile Start-up businesses were included in the study to identify the role of leadership competencies on the performance of Textile start-up businesses. The rationale behind for the selection of start-up businesses is that to the researcher's knowledge and work experience is one among the sites where the start-up businesses are practiced for long period of time.

3.2. Research Design

The study adopted a cross-sectional descriptive survey that seeks to identify the role of Leadership competencies on the Performance of Textile Start-Up business. The study was conducted on members who started New Textile Businesses at Shiromeda Market, in Addis Ababa. Cross-sectional surveys involved data collection from a population, or a representative subset, at one specific point in time and have an advantage over other research designs that only seek individuals

with a specific characteristic, with a sample, often a tiny minority, of the rest of the population. The Descriptive survey was used because it describes and explains leadership competencies to be exhibited by Start-up owners and their business performance status, situations, events and trends (Kothari, 2004). The focus of the study was on start-up founders/Owners delivering leaderships while running their businesses.

This study used a mixed approach (qualitative and quantitative approaches). The qualitative approach was used to obtain in-depth information from purposively selected Founders/Owners and employees of Start-up businesses. This approach is suited to start-up business leadership competencies research at methodological level. Quantitative tools were used to collect and analyze quantitative data. Quantitative research deals with the measurement of quantity or amount. It is normally applicable to phenomena of which data can be presented in numerical terms. Experts Survey (quantitative) and Founders/Owners and employees Survey (quantitative) was conducted. Experts' survey was used to generate general information about start-up businesses leadership competencies. This information was built on and validated through the interview guide.

3.3. Study Population

The study population is the target population of which this researcher intends to generalize the research results (Singleton et al, 1988). In this study, the target population constituted the Founders/Owners and employees of Textile Start-up Businesses located at Shiromeda, Addis Ababa, Ethiopia. The study's targeted population to be drawn from Textile Start-up Businesses Survey (2018 – 2022) as documented by the relevant government office. The top 80 Textile start-up businesses surveys were sought to identify better and fastest growing start-ups out of 324 start-ups. The ranking was based on financial scope which involves parameters such as average revenue growth, average returns on asset, and financial leverage indicators in a five years period.

3.4. Sampling Design

Sampling is the process of selecting a few cases from a large population of cases for purpose of studying these few cases and generalizing on the large population. The target population refers to all the members of Textile Start-up businesses members in the study area to which the researcher generalizes the results of this research. Sampling units were business units i.e. shops, sheds and

workshops. The researcher targeted the population based on case study from Shiromeda Textile Start-up business Market that reflects their business performance. The Top 80 Textile start-up businesses were sought to identify better and fastest growing start-ups out of 324 start-ups. This sample constitutes 25% of targeted population, according Saunders, (2015) a sample is considered adequate if sample is greater than 10% of the population. The formula used in this research for estimating the sample size (n) is provided by Kothari (2004).

$$n = \frac{N}{1 + N(e)^2}$$

Where n = sample size N= population, 1 = constant, e = error estimate (0 .1) at 90% confidence interval. Therefore, the number of samples to be taken from the population will be $n=320/1+320(0.1)^2 = 80$ (Eighty). However, these sample respondents will be approached over the course of three to five weeks.

3.5. Data Type and Source

This study used primary data to be collected from Owners/leaders and employees of start-up businesses and relevant Government Office experts through a survey questionnaire interview guide. This is intended to help improve the validity of results and allow for complementarity in data collection for purposes of attaining high levels of completeness. The research used questionnaire surveys and an interview to collect data. These are the questionnaire (structured and open ended) and oral interviews. Questionnaire is a research instrument that gathers data over a large sample. Questionnaires captured all the necessary data for the objectives of the study by addressing Leadership Competency Scorecard items (LCS).

Questionnaire is developed to address a specific objective, research question of the study by measuring the effect of independent variable on the dependent variable and how the mediating variable influences business performance as is explained in the conceptual framework. Interview schedules structured and unstructured were applied, these are questions asked orally, are face to face encounters. The researcher administered the questionnaires personally to the respondent for the purpose of clarity and confidentiality.

3.6. Data Analysis Method

According to Zikmund, Babin, Carr and Griffin (2010), data analysis refers to the application of reasoning to understand the data that has been gathered with the aim of determining consistent patterns and summarizing the relevant details revealed in the investigation. According to Hyndman (2008), data processing involves translating the answers on a questionnaire into a form that can be manipulated to produce statistics. This involves coding, editing, data entry, and monitoring the whole data processing procedure. To determine the patterns to be revealed in the data collected regarding the selected variables, data analysis is guided by the aims and objectives of the research and the measurement of the data collected.

After quantitative data was obtained through questionnaires, it is prepared in readiness for analysis by editing, handling blank responses, coding, categorizing and keyed into statistical package for social sciences (SPSS) computer software for analysis. The choice of SPSS version 20 to other statistical software is that it is user friendly. The statistics to be generated is descriptive statistics and inferential statistics. The specific descriptive statistics included percentages and frequencies while the inferential statistics included a multiple linear regression model.

The multiple linear regression model that was used to measure the relationship between the independent variables and the dependent variable which are explained in the model. The regression model helps to explain the magnitude and direction of relationship between the variables of the study through the use of coefficients like the correlation, coefficient of determination and the level of significance. According to Aiken and West (2009), the moderating variable helps to test whether the prediction of a dependent variable, from independent variables, differs across levels of a third variable. A moderating variable affects the strength and/or direction of the relation between a predictor and an outcome: enhancing, reducing, or changing the influence of the predictor.

3.7. Validity and Reliability

Content validity was determined by pre-testing. This determines whether the items are correctly worded in order to avoid misinterpretation when they are finally administered to the samples in the main study. After pre-testing, the instruments were adjusted. The reliability was measured so as to

find out the degree to which the measuring items give similar results over a number of repeated trials. A test – retest method was used to estimate the degree to which the same results could be obtained with a repeated measure of accuracy of the same concept in order to determine the reliability of the instrument. The selection of the participants was done using purposive sampling.

3.8. Ethical Considerations

The necessary orientation about the purpose of the study was given to participants and consent was obtained from each respondent. Those who were unwilling to participate in the study were omitted.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This Part consists of the presentation, analysis and the interpretation of data gathered through structured questionnaire and interview guide. The data considered in this part is obtained by using Leadership Competency Scorecard (LCS) model. In addition to this, background information of respondents is presented. Finally, the statistical methods of analysis were discussed, which included a descriptive analysis, a correlation analysis, and a multiple regression analysis through SPSS version 20.

4.1. Data Presentation

4.1.1. Coding

The Leadership Competency Scorecard (LCS) model dimensions/items are main variables used in this study and they were coded in order to ease the analysis of data collected. Also, demographic information was collected from respondents and these variables have to be coded as well for analysis. Here is the coding of the variables for analysis.

Leadership Competency Scorecard (LCS) model items are:

Analytic Leadership Competency (ALC) 1-7

Personal Leadership Competency (PLC) 1-7

Communication Leadership Competency (CLC) 1-7

Organizational/Managerial Leadership Competency (O/MLC) 1-7

Disciplinary/Positional Leadership Competency (D/PLC) 1-7

4.1.2. Reliability Coefficient Discussion

The internal consistency of the Leadership Competency Scorecard (LCS) model items was assessed by computing the total reliability scale. The total reliability scale for the study is above 0.872, indicating a Pearson's r for these data is +.88. A split-half correlation of +.80 or greater is generally considered good internal consistency. Perhaps the most common measure of internal consistency used by researchers in psychology is a statistic called Cronbach's α (the Greek letter alpha) in which a value of +.80 or greater is generally taken to indicate good internal consistency.

This reliability value for this study is substantial considering the fact that the highest reliability that can be obtained is 1.0 and this is an indication that the five items of Leadership Competencies Scorecard (LSC 2.0) model are accepted for analysis.

Tables below showed the reliability scale for all five LCS items/dimensions and also, the reliability scale for each item calculated when each item is deleted from the dimension in order to see if the deleted item is genuine or not. In case Cronbach's alpha for a dimension increases when an item is deleted it shows that that item is not genuine in that dimension.

Looking at the reliability coefficients of all five LCS item/dimensions on tables below, dimensions have coefficients slightly above 0.8. These dimensions showed coefficients higher than 0.8, meaning the dimensions comprising of various items show a true measure of Leadership Competencies and start-up business performance.

Table 4.1.2: Reliability Test: All Variables

Case Processing Summary

		N	%
Cases	Valid	80	100.0
	Excluded ^a	0	.0
	Total	80	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.872	35

4.2. Demographic Characteristics and Descriptive Statistics of the Respondents

This chapter deals with the background characteristics of the respondents considered in the study. As regards to the demographic characteristics of the respondents, demographic data table shows that out of 80 respondents, 38% (30) are females and the remaining 62 % (50) were males. The respondents have been in Textile business from one to more than six years. This shows that participants play an active role in exercising leadership competencies and reaching out to aspiring business clients. It implies that leadership competencies are affecting positively to textile start-up business performance of participants.

Table 4.1: Proportion of Gender Distribution of the Sample Population

Gender	Frequency	Percent
Female	30	38
Male	50	62
Total	80	100.0

Source: - Survey Data, 2022

In table 4.1 demographic data table shows that out of 80 respondents, 38% (30) are females and the remaining 62 % (50) were males.

The age of the study participants ranged from 18 to 40 and above, the large proportion falls in the age range of 25-49.

Table 4.2: Proportion of Age Distribution of the Sample Population

Age	Frequency	Percent
18-24	8	10
25-34	42	52
35-49	26	32
>50	4	6
Total	80	100

Source: - Survey Data, 2022

Table 4.2 above shows that age group between 35-49 years of age constitute 32 percent of the participants. 10 percent of the respondents are between 18 to 24 years of age while those aged above 50 are 6 percent. Generally, the majority of the respondents are above the age of 25. The above data indicates that most of the respondents are at active working age. This shows that

participants play an active role in exercising leadership competency which has a role in affecting start-up businesses in textile business activities.

Furthermore, it is observed that the participants differ in their marital status, i.e., consist of single, married, widowed and divorced and 65.3% of the respondents were married. Table 4.3 below indicates, 65.3 percent of the respondents are married while 26.5 percent are singles. Respondents who have divorced are 8.2 percent only while there are no widowed participants. This shows that the great majority of the participants are married.

Table 4.3: The Marital Status of the Respondents

Marital status	Frequency	Percent
Single	21	26.5
Married	52	65.3
Widowed	-	-
Divorced	7	8.2
Total	80	100.0

Source: - Survey Data, 2022

As observed from the married respondents they are usually engaged in Textile start-up business as a primary financial source and a source of livelihood for their respective spouses.

A participant’s strength increases with the increase in the number of family size. Their control over resources increases to fulfill the requirements of the family members. This is intended to facilitate them to make adequate money to contribute in household expenditure.

The analysis of the family size with in the households shown on the table 4.4 below was that the majority of respondents 53% had a number of family members four to five and 39% of the participants had two to three members. The participants having of one member were 8%. This implies that the textile startup businesses support economically the families of the owners/leaders. Also they serve as a training ground for future similar business operators due to exposure and experience to be obtained from these startup businesses for family members.

Table 4.4: Size of Family Members

Family Size	Frequency	Percent
1	7	8
2 – 3	31	39
4 – 5	42	53
More than 5	-	-
Total	80	100.0

Source: - Survey Data, 2022

The family size of the majority is between 2 and 5 members. Regarding the family member size of the participants' households, the mean family size was found to be 3.23 while the minimum was 1 and the maximum was 5 family members.

The respondents, whose educational level ranged from illiterate to first degree level, majority of the respondents have attended above primary school level.

Table 4.5: The Sample by Level of Education

Educational Status	Frequency	Percent
Illiterate	8	10.2
Read and Write	11	14.3
Primary	9	12.2
Secondary	30	37.8
Diploma	19	22.4
Degree	3	3.1
Total	80	100.0

Source: - Survey Data, 2022

As indicated in Table 4.5, 37.8 percent of the respondents have secondary level education while 22.4 of clients have diploma level education, 12.2 percent of them are primary school complete. 14.3 percent of the respondents have a read and write skill level. Furthermore, 3.1 percent have first degree.

This reflects majority of (more than 60%) the participants have a middle level formal education. It also appears from the above figures that Textile start-up businesses provide leadership competencies exposure generally to those with lesser educational backgrounds and help as a main

source of income. Therefore, we can conclude that start-up businesses mainly target to the semi-skilled segment of the society.

Table 4.6: The Occupational Engagement of Respondents

Occupation	Frequency	Percent
Weaving	42	52.0
Embroidery	11	14.3
Sales and Vending	5	6.1
Tailoring	22	27.6
Total	80	100.0

Source: - Survey Data, 2022

As can be seen from Table 4.6 above, participants are engaged in different occupational activities within the Textile startup businesses. However, the majority of the respondents were engaged in Weaving and Tailoring business, 52% and 27.6%, respectively. From this, we could observe that participants have direct experiences on leadership competencies from those who are engaged in skill based jobs that can serve and reach out to large number of textile startup businesses.

The role of leadership competencies in affecting the performance of textile startup businesses is to enable participants generate income and empower the unemployed thereby improve their livelihood. The increase or decrease in the level of income may have an implication on the life standard of the participants. An increase in income helps participants, for instance, get more employment, become more entrepreneurial in the business, have access to health services, education, and more ownership of asset and property.

Household income is total income earned by all family members in a month. Income is the main determinant of a household’s socio-economic position and thus it has a position in the economic performance of textile start-up business.

Table 4.7: The Participants by Level of Income

Net income level (monthly) (in Birr)	Before Textile Start-up		After Textile Start-up	
	Frequency	percent	Frequency	percent
<3000	45	56	2	2
3001-5000	17	21	7	9
5001-10,000	15	19	21	27
>10,000	3	4	50	62
Total	80	100	80	100

Source: - Survey Data, 2022

Table 4.7 shows that before establishing Textile Start-up business, 56 percent of the respondents had less than Birr 3000 monthly income level while 21 percent had a monthly income between birr 3001-5000. The percentage of respondents that had between Birr 5001-10,000, greater than Birr 10,000 respectively was 19 percent and 4 percent. This was a reality for participants before they engaged in textile start-up business.

As shown in table 4.7 above that all respondents after initiating the Textile start-up business, 2 percent of the respondents have acquired less than birr 3000 while 9 percent have between 3001-5000 birr. The percentage of respondents that have between birr 5001-10,000, and greater than Birr 10,000 has respectively been 27 percent and 62 percent.

Table 4.8: Duration/Longevity in the textile startup business

Duration/Longevity	Frequency	Percent
Less than 1 year	-	-
1 – 3 years	21	27
4 – 6 years	52	65
More than 7 years	7	8
Total	80	100.0

Source: - Survey Data, 2022

According to data in table 4.8 above, respondents' background data stated that more than 65% of

the respondents have been operating textile start-up business for 6 years which gives them the opportunity to have a good understanding about the role of leadership competency in their business performance. The remaining 27% of respondents also have the understanding of operating textile start-up business which has implications and good feedback for this research.

4.3. Descriptive and Inferential Analysis for Leadership Competency (LC)

The Leadership Competency Scorecard (LCS) model proposed by Ruben et al. (2017) was used as the main guide for structured questionnaire where data was collected accurately on the participants' leadership competency practice and their start-up business performance. The researcher used the Leadership Competency Scorecard (LCS) model which has 5 items (Analytic, Personal, Communication, Organizational/Managerial, and Disciplinary/Positional Leadership Competencies), considering the results for the each item having 7 variables that are discussed below individually. The measurement tool has overall 47 variables to be analyzed.

4.3.1. Analytic Leadership Competencies Descriptive and Inferential

Measurement

According to analysis made, Textile Start-up businesses use of self-assessment as shown on the table 4.3 that indicates majority of respondents Agree (52 percent) on the Self-Assessment variable, others also expressed their view as strongly agreed with 16.4 percent and the rest 15 percent disagree, 11 percent are neutral and 5 percent strongly disagree. The mean result of responses shows that 3.68 imply that it has a positive implication for participants towards analyzing one's own thoughts, emotions, and reactions while exercising analytical leadership competencies through self-assessment.

Majority of responses strongly agreed that is 47 percent on start-up owners define the business problems while operating their textile business. 39 percent also agreed that participants identify underlying issues, concerns, problems, and tasks that need to be addressed in a given situation. The rest 8, 3 and 4 percent of responses said Neutral, Disagree and strongly disagree respectively. The Mean result 4.24 shows most of responses agree and above on the statement. This implies textile start-ups owners' exhibit analytical competency.

The analysis shows that 44 percent of respondents strongly agreed on stakeholder analysis which relates to assessing perspectives of those likely to be affected by the decisions, policies or practices of a start-up business leader or organization. 35 percent of respondents agreed that startup business leaders perform this competency. 14, 5 and 3 percent of respondents reacted on neutral, disagree and strongly disagree. The mean result 4.10 indicates most of respondents agreed on the statement.

Majority of respondents in the analysis shows 33 percent strongly agreed on the practice of systems/organizational analysis that has adequate support from start-up business leaders. 28.5 percent of respondents agreed on the statement that leaders focusing on the "big picture," including short- and long term concerns and outcomes, for all those affected by leadership decisions, policies, or practices. The rest of participants reacted by response percentage of 17.6, 13.0 and 7.3, as Neutral, Disagreed and strongly disagreed, respectively. The mean result 3.66 indicates most of respondents answered above neutral on the statement.

According to the analysis made, 66 percent of respondents strongly agreed on the analysis of Technology to Support Leadership establish effective relationship with and they agreed with 26 percent, 4 percent neutral, and 2 percent disagreed and the rest 2 percent strongly disagreed that leaders assess available technologies, and their potential strengths and weaknesses for supporting leadership efforts. The mean result of responses shows that 4.52 imply that start-up leadership competency has positive implication for business performance towards growth.

Majority of responses strongly agreed that is 38 percent on start-up owners try to solve business problems while operating their textile business. 43 percent also agreed that participants analyzed a situation, identify possible/appropriate leadership styles and courses of action; ensuring follow through. The rest 10, 5 and 3 percent of responses said Neutral, Disagree and strongly disagree respectively of the problem solving leadership competency. The Mean result 4.10 shows most of responses are in agreement with the above statement. This implies textile start-ups owners' exhibit high level of problem solving leadership competency.

In regard to data analysis and interpretation, 31 and 45 percent of respondents strongly agreed and agreed, respectively on the debriefing and analyzing outcomes to derive "lessons" which helps to establish effective relationship with members and they reacted as agreed with 17 percent neutral, 4

percent disagreed and the rest 2 percent strongly disagreed with the statement. The mean result of responses shows that 3.96 imply that start-up leadership competency has a positive role for start-up business performance towards growth in the sector.

Table 4.9.: Analytic Leadership Competency (ALC) Descriptive Measurement

S.N.	Analytic Competencies	Competency Description	Effectiveness of Practice %					Mean
			1	2	3	4	5	
ALC1	Self-Assessment	Analyzing one's own thoughts, emotions, and reactions	5	11	15	52	17	3.68
ALC2	Problem Definition	Identifying underlying issues, concerns, problems, and tasks that need to be addressed in a given situation	4	3	8	39	47	4.24
ALC3	Stakeholder Analysis	Assessing perspectives of those likely to be affected by the decisions, policies or practices of a leader or organization	3	5	14	35	44	4.10
ALC4	Systems/Organizational Analysis	Focusing on the "big picture," including short- and long term concerns and outcomes, for all those affected by leadership decisions, policies, or practices	7	13	18	29	33	3.66
ALC5	Analysis of Tech to Support Leadership	Assessing available technologies, and their potential strengths and weaknesses for supporting leadership efforts	2	2	4	26	66	4.52
ALC6	Problem Solving	Analyzing a situation, identifying possible/appropriate leadership styles and courses of action; ensuring follow through	3	5	10	43	38	4.10
ALC7	Data Analysis and Interpretation of Results	Debriefing and analyzing outcomes to derive "lessons"	2	4	17	45	31	3.96

Source: Survey Result (2022)

The result from the interview made with Gullele Sub-City Woreda 02 MSEs Office staff members and the researcher's document analysis, the Analytic Leadership Competency (ALC) was one of the criteria of evaluating the performance of Textile Startups during the last five consecutive performance years. The aim was to identify growth oriented textile startups as well as potential entrepreneurs for graduation. According to the informants, it was confirmed that owners/leaders of those startups were evaluated to have great analytic competency regarding the textile sector and their startups. This was proved to be true while assessment was done in order to equip the target textile MSEs with much needed analytical competencies that would enable them to run and

operate sustainable, profitable and competitive textile startups. Those owners/leaders were among the target beneficiaries of the professional support services provided by MSEs Office.

Regression Analysis for Analytic Leadership Competency (ALC)

The results presented in the model summary for ALC present the fitness of model used of the regression model in explaining the study phenomena. Analytic leadership competency explained 79.5% of the business performance of textile start-ups. This is supported by coefficient of determination also known as the R square of 81.0%. This means that analytic leadership competency explain 81.0% of the performance of textile start up MSEs.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.900 ^a	.810	.795	.33120

a. Predictors: (Constant), ALC7, ALC5, ALC2, ALC1, ALC4, ALC3

The analysis of the variance (ANOVA) results indicate that the overall model was statistically significant (p value =0.000). The $F_{cal}=52.010 > F_{critical}=3.933$ at $\alpha 0.05$ which imply that analytic leadership competency is a good predictor of the performance of textile startup businesses.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.232	6	5.705	52.010	.000 ^b
	Residual	8.008	73	.110		
	Total	42.239	79			

a. Dependent Variable: BP

b. Predictors: (Constant), ALC7, ALC5, ALC2, ALC1, ALC4, ALC3

Regression of coefficients results show that there is a positive and significant relationship between analytic leadership competency and performance of textile start up MSEs as supported by a p value of 0.02 and a beta coefficient of 0.703. This was supported by the t values whereby $t_{cal}=16.030 > t_{critical}=1.96$ at a 95 percent confidence level which depicts that there is a positive

and significant relationship between analytic leadership competency and performance of textile start up MSEs. Analytic leadership competencies had a higher association with performance. This implies that a unit increase in analytic leadership competencies amongst the startup owners/leaders would increase the performance of textile startup businesses by 0.703 units.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.546	.169		3.234	.002
ALC	.703	.044	.876	16.030	.000

a. Dependent Variable: BP

4.3.2. Personal Leadership Competency Descriptive and Inferential

Measurement

Majority of respondents strongly agreed with startup leaders exhibit competencies of character, Personal Values & Ethics in their operation. The percentage of strongly agreed and agree is 43 and 45 percent, respectively of all the respondents reaction regarding the statement consists of maintaining personal and professional standards. Responses of 5 percent neutral, 2 percent disagree and the last 4 percent strongly disagree comprise a small percentage of participants which implies startup leaders exercise high level of personal leadership competency. The mean result of their response is 4.41 which entails that it has positive role on the level of employees follow their leaders.

The analysis shows 53 percent of respondents strongly agreed on cognitive ability & creativity of startup leaders' competency. 33 percent response also has agreed on demonstrating insight and imagination by leaders which ascertains that they run their startup with foresight to growth. The rest of 13 percent has a response of neutral, disagree and strongly disagreed on the statement this personal leadership competency. The mean result of the statement shows 4.29 and that is above agreement by participants and it is a positive implication for startup business performance.

The analysis indicates in the operation of startups, majority of respondents i.e. 86 percent agreed on the enthusiastic behavior of startup leaders and they maintain a positive attitude towards

employees and their business operation. A small percentage of participants' reactions of 14 percent disagreed on the statement. The mean result 4.21 shows most of the respondents agreed that startup leaders maintain a positive attitude which motivates others.

The personal leadership competency measurement table shows that 38 and 43 percent of respondents which constitute majority of participants strongly agreed and agreed on maintaining high Standards of business by startup leaders. This implies that leaders expect excellent performance from oneself and others. Only small fraction of responses i.e. 19 percent disagreed on the statement. The mean results of 4.10 percent shows majority of respondents have agreed on the statement.

Majority of the respondents agreed that startup leaders' personal conviction & persistence is highly regarded with 36 percent and those of 47 percent agreement on the statement which could be evidenced by being dedicated and persevering in their daily business operations. Only a small percentage of responses (17%) disagreed with the statement. The mean result 4.07 percent shows majority of respondents agreed on the statement implying that leaders have personal conviction and persistence.

The personal competency data analysis listed as 49 percent strongly agreed and 41 percent agreement of participants that startup leaders exhibit self-discipline & self confidence that has a positive contribution to the business operation. This implies that leaders have self-control, focus, and confidence in one's capabilities. Those small fractions of responses, 10 percent, disagreed on the statement. Mean result 4.33 shows most of respondents are in agreement on the statement.

In regard to data analysis and interpretation role modeling startup leaders, 25 and 67 percent of respondents strongly agreed and agreed, respectively on the practicing the values and behaviors that one advocates for others which helps to establish effective relationship with members. A very small fraction of 8 percent disagreed with the statement. The mean result of responses shows that 4.52 imply that start-up leadership competency by role modeling has a positive role for start-up business performance towards growth in the sector.

Table 4.10: Personal Leadership Competency (PLC) Descriptive Measurement

S.N.	Personal Competencies	Competency Description	Effectiveness of Practice %					
			1	2	3	4	5	Mean
PLC1	Character, Personal Values & Ethics	Maintaining personal and professional standards	4	2	5	45	43	4.41
PLC2	Cognitive Ability & Creativity	Demonstrating insight and imagination	3	4	6	33	53	4.29
PLC3	Enthusiasm	Maintaining a positive attitude	1	4	9	39	47	4.21
PLC4	High Standards	Expecting excellent performance from oneself and others	2	5	11	43	38	4.10
PLC5	Personal Conviction & Persistence	Being dedicated and persevering	3	3	11	47	36	4.07
PLC6	Self-Discipline & Self Confidence	Having self-control, focus, and confidence in one's capabilities	3	0	7	41	49	4.33
PLC7	Role Modeling	Practicing the values and behaviors that one advocates for others	2	2	4	25	67	4.52

Source: Survey Result (2022)

As per the interview made with Gullele Sub-City Woreda 02 MSEs Office staff members and the researcher's document analysis, the Personal Leadership Competency (PLC) was one of the criteria of evaluating the performance of Textile Startups during the last five consecutive performance years. The aim was to identify growth oriented textile startups as well as potential entrepreneurs for graduation. According to the informants, it was confirmed that owners/leaders of those startups were evaluated to have great personal competency regarding the textile sector and their startups. This was proved to be true while assessment was done in order to equip the target textile MSEs with much needed personal competencies that would enable them to run and operate sustainable, profitable and competitive textile startups. Those owners/leaders were among the target beneficiaries of the professional support services provided by MSEs Office.

The results presented in the model summary for PLC present the fitness of model used of the regression model in explaining the study phenomena. Personal leadership competency explained 70.6% of the performance of textile start-ups. This is supported by coefficient of determination also known as the R square of 73.2%. This means that personal leadership competency explain 73.2% of the performance of textile start up MSEs.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.855 ^a	.732	.706	.39662

a. Predictors: (Constant), PLC7, PLC3, PLC6, PLC1, PLC4, PLC5, PLC2

The analysis of the variance (ANOVA) result indicates that the overall model was statistically significant as supported by a p value of 0.000. The $F_{cal}=28.074 > F_{critical}=3.933$ at $\alpha 0.05$ which imply that personal leadership competency is a good predictor of the performance of textile startup MSEs.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.913	7	4.416	28.074	.000 ^b
	Residual	11.326	72	.157		
	Total	42.239	79			

a. Dependent Variable: BP

b. Predictors: (Constant), PLC7, PLC3, PLC6, PLC1, PLC4, PLC5, PLC2

Regression of coefficients results show that there is a positive and significant relationship between personal leadership competency and performance of textile startup MSEs as supported by a p value of 0.000 and a beta coefficient of 0.838. This was supported by the t values whereby $t_{cal}=13.576 > t_{critical}=1.96$ at a 95 percent confidence level which depicts that there is a positive and significant relationship between personal leadership competency and performance of textile startup MSEs. This implies that increase in personal leadership competencies amongst the owners/leaders textile startup businesses would increase their performance by 0.612 units.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.850	.177		4.794	.000
	PLC	.612	.045	.838	13.576	.000

a. Dependent Variable: BP

4.3.3. Communication Leadership Competency Descriptive and Inferential Measurement

The communication measurement table below shows 49 percent strongly agreed and 35 percent also agreed on credibility and trust competency of startup leaders and they are being admired, seen as magnetic, authoritative, honest, competent and trustworthy. A minority of 17 percent disagreed on the statement. The mean result 4.25 also shows majority of respondents agreed implying that startup leaders demonstrate high level of communication leadership competency while operating their business.

The analysis also shows that 35 percent agreed and 43 percent strongly agreed that startup business leaders use Influence & Persuasion techniques to convince others to adopt advocated ideas, points-of view, or behaviors as prescribed by leaders. Those of 22 percent responses remain neutral and disagreed on the statement respectively. The mean result 4.02 implies that majority of respondents agreed that startup leaders provide communication competency to their employees and provides service to customers.

The data measurement analysis in the communication measurement table below indicates 46 percent strongly agreed and 43 percent agreed on interpersonal relations & team building practice by startup leaders. This implies that startup leaders use techniques of creating effective interpersonal relationships, groups, and teams while operating their business. A small percentage of 11 percent remained neutral and disagreed on the statement. The mean value 4.25 indicates majority of the respondents agreed on the statement.

Most of the respondents strongly agreed on the listening, attention, question asking & learning competency of startup leaders with strong agreement of 35 percent and agreed as 52 percent. This has the implication that startup leaders demonstrate a competency by attending verbally and visually to the thoughts, behaviors and actions of others while operating their business. Only insignificant response rate of 13 percent are neutral and disagreed on the statement. The mean value of 4.28 shows that majority of the participants' reaction to the statement implied that startup leaders have communication leadership competency.

The analysis on table 4.5 below shows 32 and 45 percent of participants expressed their strong agreement and agreed on the statement of writing and public speaking competency variable, respectively. This implies that startup leaders are capable of conveying information, ideas, and opinions clearly through writing and oral presentations to employees and customers. On the other hand, 18 percent of responses remained neutral while 6 percent disagreed with the measurement question. The mean value 3.96 shows that most respondents are of the opinion that startup leaders have the competency variable on the statement.

Most of the respondents strongly agreed on the diversity & intercultural relations competency of startup leaders with strong agreement of 44 percent and agreed by 35 percent. This has the implication that startup leaders demonstrate competency by valuing and working effectively with both men and women, and individuals of varying cultural, racial, ethnic, and political or lifestyle orientations while operating their business. Only insignificant response rate of 22 percent remained neutral and disagreed on the statement. The mean value of 4.10 shows that majority of the participants' reaction to the statement implied that startup leaders have communication leadership competency.

The communication leadership competency analysis on table 4.5 below shows 38 and 42 percent of participants expressed their strong agreement and agreed on the statement of facilitation, negotiation & conflict resolution competency variable, respectively. This implies that startup leaders are capable of encouraging discussion and the expression of varying points of views, encouraging compromise, and effectively addressing tensions and conflicts to employees and customers. On the other hand, 12 percent of responses remained neutral while 7 percent disagreed with the measurement question. The mean value 4.10 shows that most respondents are of the opinion that startup leaders have the competency variable of facilitation, negotiation & conflict resolution.

Table 4.11: Communication Leadership Competency (CLC) Descriptive Measurement

S.N.	Communication Competencies	Competency Description	Effectiveness of Practice %					Mean
			1	2	3	4	5	
CLC1	Credibility and Trust	Being admired, seen as magnetic, authoritative, honest, competent and trustworthy	4	5	8	35	49	4.25
CLC2	Influence & Persuasion	Convincing others to adopt advocated ideas, points-of view, or behaviors	5	6	11	43	35	4.02
CLC3	Interpersonal Relations & Team Building	Creating effective interpersonal relationships, groups, and teams	2	4	5	43	46	4.25
CLC4	Listening, Attention, Question Asking & Learning	Attending verbally and visually to the thoughts, behaviors and actions of others	1	3	9	52	35	4.28
CLC5	Writing and Public Speaking	Conveying information, ideas, and opinions clearly through writing and oral presentations	2	4	16	45	32	3.96
CLC6	Diversity & Intercultural Relations	Valuing and working effectively with both men and women, and individuals of varying cultural, racial, ethnic, political or lifestyle orientations	3	5	14	35	44	4.10
CLC7	Facilitation, Negotiation & Conflict Resolution	Encouraging discussion and the expression of varying points of views, encouraging compromise, and effectively addressing tensions and conflicts	2	5	12	42	38	4.10

Source: Survey Result (2022)

The interview conducted with Woreda 02 MSEs Office experts and the researcher's document analysis, the Communication Leadership Competency (CLC) was one of the criteria of evaluating the performance of Textile Startups during the last five consecutive performance years. The aim was to identify growth oriented textile startups as well as potential for graduation to medium scale. According to the informants, it was confirmed that owners/leaders of those startups were evaluated to have great communication competency regarding the textile sector and their startups. This was proved to be true while assessment was done in order to equip the target textile MSEs with much needed communication competencies that would enable them to run and operate sustainable, profitable and competitive textile startups. Those owners/leaders were among the target beneficiaries of the professional support services provided by MSEs Office.

The results in the model summary for CLC present the fitness of model used of the regression model in explaining the study phenomena. Communication leadership competency explained

77.3% of the performance of textile startup MSEs. This is supported by coefficient of determination also known as the adjusted R square of 77.3%. This means that communication leadership competency explain 77.3% of the performance of textile startup MSEs.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.889 ^a	.790	.773	.34861

a. Predictors: (Constant), CLC7, CLC5, CLC6, CLC1, CLC4, CLC2

The results on the analysis of the variance (ANOVA) for CLC indicate that the overall model was statistically significant as supported by a p value of 0.000 which is less than the critical p value of 0.05. The $F_{cal}=45.760 > F_{critical}=3.933$ at $\alpha 0.05$ implying that communication leadership competency is a good predictor of the performance of textile startup businesses.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.368	6	5.561	45.760	.000 ^b
	Residual	8.872	73	.122		
	Total	42.239	79			

a. Dependent Variable: BP

b. Predictors: (Constant), CLC7, CLC5, CLC6, CLC1, CLC4, CLC2

Regression of coefficients results for CLC shows that there is a positive and significant relationship between communication leadership competency and performance of textile startup MSEs as show by a p value of 0.000 which is less than the critical p value of 0.05. This was supported by the t values whereby $t_{cal}=15.551 > t_{critical}=1.96$ at a 95 percent confidence level which depicts that accept the positive and significant relationship. This implies that communication leadership competency on its own influences the performance of textile startup businesses. This implies that increase in communication leadership competencies of the owners/leaders textile startup businesses would increase their performance by 0.749 units.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.307	.189		1.625	.108
CLC	.749	.048	.870	15.551	.000

a. Dependent Variable: BP

4.3.4. Organizational/Managerial Competency Descriptive and Inferential Measurement

The data analysis in table 4.6 below shows responses of 33 percent strongly agreed and 47 percent agreed for a leadership competency of vision setting, strategy development & goal attainment by startup business leaders while running the operation and providing services to customers. This implies that leaders are motivating and providing a sense of purpose and direction, set development approaches and goals, whereas, 20 percent indicates responses of neutrality and disagreement. The mean value 4.19 explains majority of respondents agreed on the competency of variable statement while operating their startup to serve the customer as a base of customer satisfaction .

More than 84 percent of responses in the analysis strongly agreed the management and supervision competency of startup leaders is highly valued. This implies that startup leaders regularly oversee financial, physical, and human resources in the operation of the business. Those insignificant responses of 16 percent are neutral and expressed their disagreement, respectively, on the statement. The mean value 4.34 explains that majority of respondents are in agreement with the idea that startup leaders high level of the competency of the measurement question.

The same analysis also shows 47 percent strong agreement and 38 percent agreement for the Information/Knowledge Management & Boundary Spanning statement. It can be deduced from this that startup leaders regularly facilitate the flow and sharing of information within a group or organization, and across organizational boundaries. The rest 15 percent responds remained neutral and disagreed on the statement. The mean value of 4.22 shows majority of respondents agreed on this particular competency of knowledge management boundary spanning variable.

Majority of the response lies on the statement are 34 percent agreed and 46 percent strongly agreed with technological capability of startup leaders. Their response implies that leaders use appropriate communication technology and media to support leadership initiatives. 15 percent remained neutral and the 6 percent disagreed with the measurement variable. The mean result of 4.10 shows majority of responses agreed on the technological capability of startup business leaders.

The analysis on table 4.6 below shows 53 and 33 percent of participants expressed their strong agreement and agreed on the statement of collaborative decision making & empowerment competency variable, respectively. This implies that startup leaders are capable of effectively engaging others in decision making and other activities with employees and customers. On the other hand, 6 percent of responses remained neutral while 7 percent disagreed with the measurement variable. The mean value 4.29 shows that most respondents are of the opinion that startup leaders have the competency variable on the statement.

Most of the respondents strongly agreed on the Teaching and Coaching competency of startup leaders with strong agreement of 49 percent and agreed by 35 percent. This has the implication that startup leaders demonstrate competency by encouraging the development of leaders and leadership capacity while operating their business. Only insignificant response rate of 17 percent remained neutral and disagreed on the statement. The mean value of 4.26 shows that majority of the participants' reaction to the statement implied that startup leaders have organizational/managerial leadership competency.

The organizational/managerial leadership competency analysis on table 4.6 below shows 35 and 51 percent of participants expressed their strong agreement and agreed on the statement of Promoting and effectively guiding change and innovation; anticipating and managing risks; and coping effectively with unexpected and crisis situations competency variable, respectively. On the other hand, 10 percent of responses remained neutral while 4 percent disagreed with the measurement question. The mean value 4.28 shows that most respondents are of the opinion that startup leaders have the competency variable on the measurement question.

Table 4.12: Organizational/Managerial Leadership Competency (O/MLC) Descriptive Measurement

S.N.	Organizational/Managerial Competencies	Competency Description	Effectiveness of Practice %					Mean
			1	2	3	4	5	
OLC1	Vision Setting, Strategy Development & Goal Attainment	Motivating and providing a sense of purpose and direction, development approaches and goals,	4	1	15	47	33	4.19
OLC2	Management and Supervision	Overseeing financial, physical, and human resources	2	3	11	31	53	4.34
OLC3	Info/Knowledge Management & Boundary Spanning	Facilitating the flow and sharing of information within a group or organization, and across organizational boundaries	1	4	10	38	47	4.22
OLC4	Technological Capability	Using appropriate communication technology and media to support leadership initiatives	2	4	15	34	46	4.10
OLC5	Collaborative Decision Making & Empowerment	Effectively engaging others in decision making and other activities	3	4	6	33	53	4.29
OLC6	Teaching and Coaching	Encouraging the development of leaders and leadership capacity	4	5	8	35	49	4.26
OLC7	Change, Risk & Crisis Management	Promoting and effectively guiding change and innovation; anticipating and managing risks; and coping effectively with unexpected and crisis situations	1	3	10	51	35	4.28

Source: Survey Result (2022)

The Gullele Sub-City Woreda 02 MSEs Office experts interview results and the researcher's document review concurred that, the Organizational/Managerial Leadership Competency (O/MLC) was one of the criteria of evaluating the performance of Textile Startups during the last five consecutive performance years. According to the information obtained here, it was confirmed that owners/leaders of those startups were evaluated to have huge and great level of organizational/managerial competency regarding the textile sector and their startups. This was proved to be true while assessment was done in order to equip the target textile MSEs with much needed managerial competencies that would enable them to run and operate sustainable, profitable and competitive textile startups. Those owners/leaders were among the target beneficiaries of the professional support services provided by MSEs Office.

The results for OMLC presented the fitness of model used of the regression model in explaining the study phenomena. Organizational/managerial leadership competency explained 78.4% of the performance of textile startup MSEs at Shiromeda. This is supported by coefficient of

determination also known as the R square of 78.7%. This means that Organizational/managerial leadership competency explain 78.7% of the performance of textile startup MSEs at Shiromeda.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.887 ^a	.787	.784	.33994

a. Predictors: (Constant), O/MLC

The analysis of the variance (ANOVA) for OMLC results indicate that the overall model was statistically significant as supported by a p value of 0.000 which was less than the critical p value of 0.05. The $F_{cal}=287.518 > F_{critical}=3.933$ at $\alpha=0.05$ which imply that organizational/managerial leadership competency is a good predictor of the performance of textile startup businesses.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.226	1	33.226	287.518	.000 ^b
	Residual	9.014	78	.116		
	Total	42.239	79			

a. Dependent Variable: BP

b. Predictors: (Constant), O/MLC

Regression of coefficients results OMLC shows that there is a positive and significant relationship between organizational/managerial leadership competency and performance of textile startup MSEs as supported by a p value of 0.000 and a beta coefficient of 0.672. This was supported by the t values whereby $t_{cal}=16.956 > t_{critical}=1.96$ at a 95 percent confidence level which depicts that we accept that there is a positive and significant relationship between organizational/managerial leadership competency and performance of textile startup MSEs. This implies that increase in organizational/managerial leadership competencies amongst the owners/leaders textile startup businesses would increase their performance by 0.672 units.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.578	.158		3.656	.000
	O/MLC	.672	.040	.887	16.956	.000

a. Dependent Variable: BP

4.3.5. Disciplinary/Positional Leadership Competency Descriptive and Inferential Measurement

The Disciplinary Competency measurement table 4.7 below indicates 33 percent strong disagreement and 41 percent disagreement on the educational achievement of startup business leaders. It can be inferred from this that startup leaders do not have relevant formal education and/or training in sector-related competencies. 20 percent remained neutral and the remaining 1 and 4 percent answered in agreement and strong agreement. The mean result 2.04 shows majority of the respondents disagree on the statement.

The analysis shows that 51 and 38 percent strong agreement and agreement, respectively on the business experience of startup leaders. The implication is that startup leaders have prior relevant experience in the textile sector. 13 percent stated their disagreed on the statement. The mean result 4.36 indicates majority of the respondents agreed on the sectorial experience of startup leaders. The same trend of response was given with regard to the measurement variable of leaders' Expertise of startup leaders that majority of participants i.e. 88 percent were of the opinion that leaders have appropriate and/or required job competencies supported with a mean value of 4.23.

The analysis shows 35 and 43 percent strongly agreed and agreed, respectively on Knowledge of Field competency variable. The implication is that startup leaders have the understanding of the particular field, its issues, challenges, and opportunities. Only 22 percent of responses were neutral and disagreements on the statement. The mean result 3.95 indicates majority of the respondents agreed on the measurement variable. Similarly, measurement of knowledge of the operation variable was also acted upon by participants that startup leaders have high level of understanding of the particular organization, its issues, challenges, and opportunities.

This was supported by majority of responses i.e. 84 percent agreed with the mean value of 4.34 on the measurement statement.

With regard to disciplinary competency measurement, majority of response agreed that startup leaders have the familiarity with Work through Knowing about and being comfortable with tasks or work activities that are specific to the textile sector and business with percentage of 34 and 53 percent strongly agree and agree, respectively, on the statement. Of which 13 percent remained neutral and disagreed on the measurement question. The mean result 4.28 implies majority of respondents supported that startup leaders are familiar with their operation.

The analysis shows that 46 and 43 percent strong agreement and agreement, respectively on the professional involvement of startup leaders. The implication is that startup leaders have been pursuing opportunities for personal and professional learning, growth, and advancement. 11 percent stated their neutrality and disagreement on the variable statement. The mean result 4.25 indicates that majority of the respondents agreed on the sectorial growth experience of startup leaders.

Table 4.13: Disciplinary Leadership Competency (DLC) Descriptive Measurement

S.N.	Disciplinary Competencies	Competency Description	Effectiveness of Practice %					Mean
			1	2	3	4	5	
DLC1	Education	Having relevant formal education and/or training in sector-related competencies	4	1	20	41	33	4.04
DLC2	Experience	Having prior relevant experience in the sector - e.g., business, healthcare, government, or education	3	2	8	38	51	4.36
DLC3	Expertise	Having appropriate and/or required job competencies	1	6	5	40	48	4.23
DLC4	Knowledge of Field	Understanding the particular field, its issues, challenges, and opportunities	6	5	11	43	35	3.95
DLC5	Knowledge of Operation	Understanding the particular organization, its issues, challenges, and opportunities	2	3	11	31	53	4.34
DLC6	Familiarity with Work	Knowing about and being comfortable with tasks or work activities that are specific to the sector and organization	1	3	9	53	34	4.28
DLC7	Professional Involvement	Pursuing opportunities for personal and professional learning, growth, and advancement	2	4	5	43	46	4.25

Source: Survey Result (2022)

According to the interview conducted with Gullele Sub-City Woreda 02 MSEs Office staff members and the researcher’s document analysis, the Disciplinary/Positional Leadership Competency (D/PLC) was one of the criteria of evaluating the performance of Textile Startups during the last five consecutive performance years. According to the informants, it was confirmed that majority of owners/leaders of those textile startups were evaluated to have school level and very few of them have TVET level education and training that their disciplinary/positional competency was rated as low level for the textile sector and their startups. This was proved to be true while assessment was done in order to equip the target textile MSEs with much needed disciplinary/positional competencies that would enable them to run and operate sustainable, profitable and competitive textile startups. This corroborates with the questionnaire results of the variable measurement that those owners/leaders were among the target beneficiaries of the professional support services provided by the MSEs Office and it was attested from frequent skill upgrading training sessions provided to textile startup owners/leaders by the Office.

The D/PLC fitness model is used for the regression model in explaining the study phenomena. Disciplinary/Positional leadership competency explained 90.5% of the performance of textile startup MSEs at Shiromeda. This is supported by coefficient of determination also known as the R square of 91.3%. This means that Disciplinary/Positional leadership competency explain 91.3% of the performance of textile startup MSEs at Shiromeda.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.956 ^a	.913	.905	.22536

a. Predictors: (Constant), D/PLC7, D/PLC1, D/PLC6, D/PLC4, D/PLC5, D/PLC2, D/PLC3

The analysis of the variance (ANOVA) for D/PLC results indicate that the overall model was statistically significant as supported by a p value of 0.000. The $F_{cal}=108.529 > F_{critical}=3.933$ at $\alpha 0.05$ which imply that disciplinary/positional leadership competency is a good predictor of the performance of textile startup businesses at Shiromeda.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.583	7	5.512	108.529	.000 ^b
	Residual	3.657	72	.051		
	Total	42.239	79			

a. Dependent Variable: BP

b. Predictors: (Constant), D/PLC7, D/PLC1, D/PLC6, D/PLC4, D/PLC5, D/PLC2, D/PLC3

Regression of coefficients results for D/PLC shows that there is a positive and significant relationship between disciplinary/positional leadership competency and performance of textile startup MSEs as supported by a p value of 0.000 and a beta coefficient of 0.699. This was supported by the t values whereby $t_{cal}=20.947 > t_{critical}=1.96$ at a 95 percent confidence level which depicts that there is a positive and significant relationship between organizational/managerial leadership competency and performance of textile startup MSEs. This implies that increase in disciplinary/positional leadership competencies amongst the owners/leaders textile startup businesses would increase their performance by 0.699 units.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.586	.128		4.585	.000
	D/PLC	.699	.033	.921	20.947	.000

a. Dependent Variable: BP

4.3.6. Descriptive Measurement to the Startup Business Performance

Business performance rating of the questions measure on 1 to 5 scale by writing each statement as described by 5 = Very Huge, 4 = Huge, 3 = Neutral, 2 = Few and 1 = Very Few.

Accordingly, the data analysis in table 4.14 below shows responses of 49 percent a very huge and 36 percent huge business growth, respectively, for a growth in business with respect to the number of employees for the last five years by startup business leaders while running the operation and providing services to customers. This implies that the businesses have shown a huge growth as

evidenced by the growth in labor force, whereas, 16 percent indicates responses of neutrality and few growth with the measurement question. The mean value 4.25 explains majority of respondents agreed on the huge growth level of the textile startup business while operating to serve the customer as a base of customer satisfaction.

More than 74 percent of responses in the analysis agreed that they grew very huge so that the value of total assets has grown hugely in the start-up for the last five years. This implies that textile startup businesses regularly kept on growing with regard to value of total assets in the operation of the business. Those insignificant responses of 22 percent are neutral and expressed their very few business performance, respectively, on the statement. The mean value 4.10 explains that majority of respondents are in agreement with the idea that textile startup businesses are achieving huge level of growth.

The same analysis also shows 36 percent strong agreement and 47 percent agreement for the huge growth of the value of turnover in start-up business for the last five years. It can be deduced from this that textile startup businesses regularly grew up in size causing an increase in the annual value of turnover. The rest 17 percent participants remained neutral and expressed their disagreement on the variable statement. The mean value of 4.07 shows majority of respondents agreed on this particular variable that explains growth of textile startup in terms of the value of annual turnover.

Also from this growth in size analysis on table 4.14 below, majority of the participants expressed their strong agreement and agreement i.e. 31 and 45, respectively in regard to annual rate of return on assets (RoA). Their response implies that textile startup businesses are growing in size in terms of making huge return on asset. Less number of participants constituting 17 percent remained neutral and the 6 percent disagreed with the measurement variable. The mean result of 3.96 shows majority of respondents are of the opinion that textile startups are motivated to keep on operating in the business.

This same analysis on table 4.14 below shows 33 and 47 percent of participants expressed their strong agreement and agreed on the statement of the influencing relationship of the size of textile start-up business and leadership competencies and the business performance for the last five years, respectively. This implies that textile startups growth in size hugely influenced in a positive

way since startup leaders excelled in their leadership competency over the years and in return the performance of their textile startup grew in size with respect to labour size, value of total asset, value of turnover, and the return on assets as evidenced from the previous variables for measuring business size. On the other hand, 15 percent of responses remained neutral while 5 percent of them disagreed with the measurement variable. The mean value 4.19 shows that most respondents are of the opinion that textile startup businesses perform well and recorded huge business growth because their leaders' strong quality in relation to leadership competency.

Table 4.14: Descriptive Measurement to the Startup Business Performance (BP)

S.N.	Business Performance Question Items	Business Performance %					
		1	2	3	4	5	Mean
BP1	Please indicate the range of the number of employees in your start-up for the last five years.	4	5	7	36	49	4.25
BP2	Please indicate the value of total assets (range) in your start-up for the last five years.	3	5	14	36	38	4.10
BP3	Please indicate the value of turnover (range) in your start-up for the last five years.	3	3	11	47	36	4.07
BP4	For each of the past 5 years, please indicate the range of the return on assets (ROA) of your start-up.	2	4	17	45	31	3.96
BP5	How does the size of your start-up business influence the relationship between leadership competencies and the business performance for the last five years?	4	1	15	47	33	4.19

Source: Survey Result (2022)

With regard to the interview made with Gullele Sub-City Woreda 02 MSEs Office experts and the literature review done, the five leadership competencies were the criteria of evaluating the performance of Textile Startups during the last five consecutive performance years, according to the respondents. The aim was to identify growth oriented textile startups as well as potential entrepreneurs for graduation. According to the informants, it was confirmed that owners/leaders of those startups were evaluated to have huge and great analytic, personal, communication and organizational competencies exhibited while operating the textile sector and their startups. However, the disciplinary competency of textile startup owners/leaders was not found to be up to par. This was proved to be true while assessment was done in order to equip the target textile MSEs with much needed leadership competencies that would enable them to run and operate sustainable, profitable and competitive textile startups. Those owners/leaders were among the target beneficiaries of the professional support services provided by MSEs Office.

4.4. Discussion of Composite Correlation and Regression Analysis

A composite Correlation and multiple regression analyses were conducted to examine the relationship between the five leadership competency items/variables and textile startup business performance. The table 4.15 below summarizes the descriptive statistics and analysis results. As can be seen each of the GRE scores is positively and significantly correlated with the criterion (dependent variables), indicating that those with higher scores on these variables tend to have highly influenced by role of leadership competency on the business performance of the startups.

Table 4.15: Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ALC	80	1.29	4.71	3.7446	.91139
PLC	80	1.71	4.86	3.8018	1.00103
CLC	80	1.43	4.71	3.8321	.84890
O/MLC	80	1.57	5.00	3.8696	.96522
D/PLC	80	1.57	4.71	3.7071	.96380
Valid N (listwise)	80				

The multiple regression models with all five predictors (independent variables) produced a correlation that is significant at the 0.01 level (2-tailed). As can be seen in table 4.10 below, the Analytic and Quantitative GRE scales had significant positive regression weights, indicating textile startups with higher scores on these scales were expected to have higher level of business performance in terms of profit and customer satisfaction, after controlling for the other variables in the model.

Pearson correlation analysis was conducted to examine the relationship between the variables. The correlation coefficient value (r) range from 0.10 to 0.29 is considered weak, from 0.30 to 0.49 is considered medium and from 0.50 to 1.0 is considered strong (Cohen, 1988). The analysis of the selected indicators showed some relationships, which have a bearing in the understanding of the role of leadership competency measurement items on the performance of textile startup businesses.

Leadership competency was found to have a positive relationship with startup business performance as the business operations of the startups were led by startup business owners and employees who exercised the required and strong leadership competencies as evidenced from continued business performance growth as shown by positive relationship (+0.927**) as is shown here under in table 4.16.

Correlations

		ALC	PLC	CLC	O/MLC	D/PLC
ALC	Pearson Correlation	1	.927**	.952**	.931**	.928**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	80	80	80	80	80
PLC	Pearson Correlation	.927**	1	.881**	.902**	.921**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	80	80	80	80	80
CLC	Pearson Correlation	.952**	.881**	1	.936**	.927**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	80	80	80	80	80
O/MLC	Pearson Correlation	.931**	.902**	.936**	1	.967**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	80	80	80	80	80
D/PLC	Pearson Correlation	.928**	.921**	.927**	.967**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	80	80	80	80	80

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

Relationship between Leadership Competencies and Non-Financial Performance of Textile Startup MSEs

The results presented in the fitness of model below used of the regression model in explaining the study phenomena. The leadership competencies explained 85.8% of the performance of Textile startup MSEs. This is supported by coefficient of determination also known as the Adjusted R

square of 84.9%. This means that leadership competencies explain 84.9% of the non-financial performance of Textile startup MSEs at Shiromeda.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.926 ^a	.858	.849	.28455

a. Predictors: (Constant), D/PLC, PLC, CLC, ALC, O/MLC

The analysis of the variance (ANOVA) results below indicate that the overall model was statistically significant as supported by a p value of 0.000 which is lesser than the critical p value of 0.05. The $F_{cal}=89.534 > F_{critical}=2.4599$ at $\alpha 0.05$ which imply that leadership competencies (Analytic leadership competency, Personal leadership competency, Communication leadership competency, Organizational/Managerial leadership competency and Disciplinary/Positional leadership competency) are good predictor of the non-financial performance of Textile startup MSEs at Shiromeda.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.248	5	7.250	89.534	.000 ^b
	Residual	5.992	74	.081		
	Total	42.239	79			

a. Dependent Variable: BP

b. Predictors: (Constant), D/PLC, PLC, CLC, ALC, O/MLC

Regression of coefficients results below show that there is a positive and significant relationship between leadership competencies (Analytic leadership competency, Personal leadership competency, Communication leadership competency, Organizational/Managerial leadership competency and Disciplinary/Positional leadership competency) and non-financial performance of Textile startup MSEs at Shiromeda as supported by beta coefficient of 0.296, -0.200, 0.005, -0.181 and 1.002 respectively.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.542	.152		3.571	.001
ALC	.237	.146	.296	1.621	.109
PLC	-.146	.097	-.200	-1.497	.139
CLC	.004	.141	.005	.028	.978
O/MLC	-.137	.143	-.181	-.956	.342
D/PLC	.760	.147	1.002	5.161	.000

a. Dependent Variable: BP

In general, the study confirmed that leadership competency matters: leaders of high-growth textile startups have a higher level of performance than those of low-performing ones. But the study also made it clear that having good leaders is not good enough; excellence in personal, communication and organizational leadership competencies make the difference. Textile startups with outstanding leaders have a high correlation with revenue growth, while those with average leaders have no correlation at all.

This implies that increase in Analytic leadership competencies amongst the textile startup leaders would increase the overall performance by 0.237 units. This also implies that increase in personal leadership competencies amongst the leaders would increase the overall performance by -0.146 units. This also implies that increase in communication leadership competencies among the leaders would increase the overall performance by 0.004 units. Also, this implies that increase in Organizational/managerial leadership competencies among the leaders would increase the overall performance by -.137 units. Further, this implies that increase in Disciplinary/Positional leadership competencies among the leaders would increase the overall performance by 0.760 units.

CHAPTER FIVE

Summary, Conclusion and Recommendations

The findings and analysis of data are summarized in this chapter in line with the study objectives. Conclusions are based on the study findings and analysis conducted in the previous chapter. The recommendations are made with regard to the conclusions reached after the data were analyzed. The suggestions assumed to help not only the textile startup businesses on which this research was conducted but also any interested group or individual to conduct similar work for further findings.

5.1. Summary

The study was intended to investigate “The Role of Leadership Competencies on the performance of Business Start-Ups in Addis Ababa: The Case of Textile Micro and Small Enterprises (MSEs) at Shiromeda” based on the questionnaire consisting of 47 (Forty Seven) question items and distributed to 80 (Eighty) purposively selected textile startup businesses.

The results of the descriptive and inferential statistical analysis indicated that, textile startup business respondents were found to be satisfied with the measurement of leadership competency items/dimensions of analytic, personal, communication, organizational/managerial and disciplinary competencies.

The finding also indicates that the highest relationship was found between personal competency and business performance, communication competency and business performance and organizational/managerial competency and business performance while a bit lower relationship was found between analytic competency and business performance as well as disciplinary competency and business performance provided some result variations among the variable with in each leadership competency items/dimensions.

However, participants were less satisfied with disciplinary competency variable of Education of leaders as compared to other measures. There is a positive and significant relationship between Analytic Leadership Competence (ALC) and business performance, Personal Leadership Competence (PLC) and business performance, Communication Leadership Competency (CLC)

and business performance, Organizational/Managerial Leadership Competency (O/MLC) and business performance; and Disciplinary Leadership Competence (DLC) and business performance. However, the results indicate that, there is positive and significant relationship between the independent variables and textile startup business performance.

The findings of this study also indicated that communication leadership competency is the most important factor to have a positive role on the business performance of textile startups, followed by personal, organizational and analytic leadership competency.

5.2. Conclusion

This study examined the role of leadership competency on the performance of textile startup businesses in Addis Ababa, Ethiopia: the case of textile MSE situated at Shiromeda, where leadership competency has five measuring items/dimensions which are Analytic, Personal, communication, organizational/managerial, and disciplinary.

The finding of the study also indicated that, textile startup business participants were most satisfied with the Personal, communication, and organizational/managerial dimensions of leadership competencies. However, participants were less satisfied with disciplinary dimensions of leadership competency particularly with a variable measuring the Educational level of textile startup leaders. The correlation result shows that, analytic, personal, communication; organizational/managerial and disciplinary are positively related with textile startup business performance.

The three leadership competency items/dimensions including communication, personal, and organizational/managerial have positive and significant effect on textile startups. The findings of this study also indicated that these three leadership competencies are the most important factors to have a positive and significant effect on business performance by the leaders of textile startup MSEs in the study area. In addition to this, the five leadership competency items/dimensions significantly explained the variations in textile startup performance in terms of labor, profit volume and customer satisfaction.

This study has endeavored to determine the influence of business size on effectiveness of leadership competencies and textile startup performance. The results from the data analysis in relation to business size have pointed to an agreement with the analysis in the literature review. Business size has lately been an important consideration in many businesses. Business performance is a function of both the business size and the method of leadership competency. With the owners/leaders of textile startups being the major practitioners of the leadership competencies, their growth is key to the growth in business performance.

The research found out that the labor size, asset building, return on asset and customer satisfaction has improved due to the practice of strong leadership competencies of textile startup leaders. This necessitated the continuation of doing business in the sector as well as the business growth in terms of labor, profit volume and customer satisfaction. In conclusion the practice of leadership competencies in managing the operation or performance of textile startup businesses has a positive role on textile startups operating at Shiromeda area, located in Gullele Sub-City, Addis Ababa, Ethiopia.

5.3. Recommendation

Based on the findings and conclusions of the study, the researcher forwards the following recommendations to the textile startup businesses at shiromeda, Addis Ababa, Ethiopia. Communication, personal and organizational/managerial item/dimension of leadership competencies were considered as the most important factors influencing textile startups. However, the participants were found less satisfied in terms of the Education variable of disciplinary competency item/dimension. Therefore, textile startup leaders ought to support their leadership practice with more and growing formal education to sustain and grow their business.

One way of addressing leadership problems would be by treating employees and customers through performing the promised service as per the expectation of all. This is to say, the textile startups should focus on communication, personal and organizational/managerial factors to maximize employees and customer satisfaction through commitment and persistence.

Furthermore, communication leadership competency was considered as one of the most important factors influencing high level business performance. However, the participants of the textile startups were found to be less satisfied in regard to some analytic and disciplinary leadership competency variables and due to these problems of employees' and customers' commitment as well as motivation for business growth may be affected. Therefore, textile startup leaders ought to work hard on analytic and disciplinary factors to address employees' and customers' complaints effectively.

The textile startup leaders should respect their promise by keeping work contract promises to service recipients. Evidence from the study shows that, the textile startups should improve business performance with all the leadership competency items/dimensions in order to increase employee and customer satisfaction. This will enable them maintain level of confidence doing business regularly.

In general, practicing leadership competencies have a tremendous effect on the performance of textile startups that in turn determines the growth in business size in terms of labor size, profit level and customer satisfaction. Therefore, textile startups should attempt to maintain consistent and quality service delivery as per expectation by assessing all the leadership competencies dimensions regularly.

Textile startup businesses performance through committed and persistent leadership competencies is very important for the survival and growth of sectorial development in general, and the textile startups at Shiromeda in particular. Therefore, sufficient knowledge of startups work environment, expectation of employees and customers should be studied in depth since their expectations and desires are very important to the development of business leadership theory and practice.

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Annex I

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
School of Commerce
Department of Business Administration and Information System
MA in Business Leadership

Dear Respondents,

This questionnaire is designed to collect information about the research title “*The Role of Leadership Competencies on Business Start-Ups in Addis Ababa: The Case of Textile Micro and Small Enterprises (MSEs) at Shiromeda*”. The Researcher is a Graduate Student of Business Leadership, and this questionnaire is prepared for academic purpose only to fulfill the research project. All your information will be held confidential and will be used only for research purpose only. I thank you for the time you take in filling this questionnaire.

Instruction: Please choose your best answer from the alternatives.

Part I: Personal Details

1. Gender:

- a) Male b) Female

2. Age:

- a) 18-30 b) 31-40 c) 41-50 d) Greater than 51 years

3. Education:

- a) Primary (1-8) b) Secondary (9-12) c) TVET/Diploma d) 1st Degree and Above

4. Marital Status:

- a) Single b) Married C) Widowed D) Divorced

5. Number of Family members:

- a) One b) Two to Three C) Four d) More than Five

6. What business are you engaged in to earn a living?

- a) Weaving b) Embroidery
c) Sales and Vending d) Tailoring

7. Monthly income:

- a) below Birr 3000 b) Birr 3001-5000 c) Birr 5001-10000 d) above Birr 10,000

8. For how long have you been in operation of your textile start-up business?

- a) < 2 Year b) 3-4 year c) 5-6 years d) above 7 years

Part II: Questions Related to the Leadership Competencies Scorecard (LSC 2.0)

Rate the questions below on a 1 to 5 scales and write “X” mark in the box that MOST represents YOUR VIEW of how well each statement describes your feeling. 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly Disagree

S.N.	Analytic Competencies	Competency Description	Effectiveness of Practice %				
			1	2	3	4	5
1.1	Self-Assessment	Analyzing one's own thoughts, emotions, and reactions					
1.2	Problem Definition	Identifying underlying issues, concerns, problems, and tasks that need to be addressed in a given situation					
1.3	Stakeholder Analysis	Assessing perspectives of those likely to be affected by the decisions, policies or practices of a leader or organization					
1.4	Systems/Organizational Analysis	Focusing on the "big picture," including short- and long term concerns and outcomes, for all those affected by leadership decisions, policies, or practices					
1.5	Analysis of Tech to Support Leadership	Assessing available technologies, and their potential strengths and weaknesses for supporting leadership efforts					
1.6	Problem Solving	Analyzing a situation, identifying possible/appropriate leadership styles and courses of action; ensuring follow through					
1.7	Data Analysis and Interpretation of Results	Debriefing and analyzing outcomes to derive "lessons"					
		Sub-Total					

S.N.	Personal Competencies	Competency Description	Effectiveness of Practice%				
			1	2	3	4	5
2.1	Character, Personal Values & Ethics	Maintaining personal and professional standards					
2.2	Cognitive Ability & Creativity	Demonstrating insight and imagination					
2.3	Enthusiasm	Maintaining a positive attitude					
2.4	High Standards	Expecting excellent performance from oneself and others					
2.5	Personal Conviction & Persistence	Being dedicated and persevering					
2.6	Self-Discipline & Self Confidence	Having self-control, focus, and confidence in one's capabilities					
2.7	Role Modeling	Practicing the values and behaviors that one advocates for others					

		Sub-Total					
S.N.	Communication Competencies	Competency Description	Effectiveness of Practice%				
			1	2	3	4	5
3.1	Credibility and Trust	Being admired, seen as magnetic, authoritative, honest, competent and trustworthy					
3.2	Influence & Persuasion	Convincing others to adopt advocated ideas, points-of view, or behaviors					
3.3	Interpersonal Relations & Team Building	Creating effective interpersonal relationships, groups, and teams					
3.4	Listening, Attention, Question Asking & Learning	Attending verbally and visually to the thoughts, behaviors and actions of others					
3.5	Writing and Public Speaking	Conveying information, ideas, and opinions clearly through writing and oral presentations					
3.6	Diversity & Intercultural Relations	Valuing and working effectively with both men and women, and individuals of varying cultural, racial, ethnic, political or lifestyle orientations					
3.7	Facilitation, Negotiation & Conflict Resolution	Encouraging discussion and the expression of varying points of views, encouraging compromise, and effectively addressing tensions and conflicts					
		Sub-Total					

S.N.	Organizational/Managerial Competencies	Competency Description	Effectiveness of Practice%				
			1	2	3	4	5
4.1	Vision Setting, Strategy Development & Goal Attainment	Motivating and providing a sense of purpose and direction, development approaches and goals,					
4.2	Management and Supervision	Overseeing financial, physical, and human resources					
4.3	Info/Knowledge Management & Boundary Spanning	Facilitating the flow and sharing of information within a group or organization, and across organizational boundaries					
4.4	Technological Capability	Using appropriate communication technology and media to support leadership initiatives					
4.5	Collaborative Decision Making & Empowerment	Effectively engaging others in decision making and other activities					
4.6	Teaching and Coaching	Encouraging the development of leaders and leadership capacity					
4.7	Change, Risk & Crisis Management	Promoting and effectively guiding change and innovation; anticipating and					

		managing risks; and coping effectively with unexpected and crisis situations					
		Sub-Total					
S.N.	Disciplinary Competencies	Competency Description	Effectiveness of Practice%				
			1	2	3	4	5
5.1	Education	Having relevant formal education and/or training in sector-related competencies					
5.2	Experience	Having prior relevant experience in the sector - e.g., business, healthcare, government, or education					
5.3	Expertise	Having appropriate and/or required job competencies					
5.4	Knowledge of Field	Understanding the particular field, its issues, challenges, and opportunities					
5.5	Knowledge of Operation	Understanding the particular organization, its issues, challenges, and opportunities					
5.6	Familiarity with Work	Knowing about and being comfortable with tasks or work activities that are specific to the sector and organization					
5.7	Professional Involvement	Pursuing opportunities for personal and professional learning, growth, and advancement					
		Sub-Total					

Part III: Questions Related to the start-up business Performance

Rate the questions below on 1 to 5 scale and write “X” mark in the box that MOST represents YOUR VIEW of how well each statement describes your feeling. 5 = Very Huge, 4 = Huge, 3 = Neutral, 2 = Few and 1 = Very Few

S.N.	Question Items	Business Performance%				
		1	2	3	4	5
6.1	Please indicate the range of the number of employees in your start-up for the last five years.					
6.2	Please indicate the value of total assets (range) in your start-up for the last five years.					
6.3	Please indicate the value of turnover (range) in your start-up for the last five years.					
6.4	For each of the past 5 years, please indicate the range of the return on assets (ROA) of your start-up.					
6.5	How does the size of your start-up business influence the relationship between leadership competencies and the business performance for the last five years?					
	Sub-Total					

Appendix 2

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS**

School of Commerce

Department of Business Administration and Information System

MA in Business Leadership

Interview Guide:

Dear Respondents,

This interview question guide is designed to collect information about the research title “*The Role of Leadership Competencies on Business Start-Ups in Addis Ababa: The Case of Textile Micro and Small Enterprises (MSEs) at Shiromeda*”. The Researcher is a Graduate Student of Business Leadership, and this interview guide is prepared for academic purpose only to fulfill the research project. All your information will be held confidential and will be used only for research purpose only. I thank you for the time you take in filling this questionnaire.

Thank you.

1. How do you evaluate the Analytic Leadership Competency (ALC) of Textile Start-ups under the supervision of your Office? _____
2. What is your view on the Personal Leadership Competency (PLC) of Textile Startups operating at Shiromeda area? _____
3. Do you think that the Communication Leadership Competency (CLC) of textile start-ups owners/leaders contribute to sustaining businesses growth?_____
4. What is your opinion regarding the Organizational/Managerial Leadership Competency (O/MLC) of Textile start-up Owners/leaders? _____
5. How do you evaluate the Disciplinary/Positional Leadership Competency (D/PLC) of Textile start-up Owners/leaders? _____
6. What is your overall assessment on the role of leadership competency on business performance of Textile Startups? _____

Thank you.

ሀ) ከ1 ዓመት በታች ለ) 3 - 4 ዓመት ሐ) 5 - 6 ዓመት መ) ከ10 ዓመት በላይ

ክፍል ሁለት: ከአመራር ክህሎት መመዘኛ ሰንጠረዥ መለኪያ (LSC 2.0)

ከታች ያለው የመጠን ልኬት አላማ ጀምሮ የጨርቃጨርቅና አልባሳት ስራና ንግድ ዘርፍ ያስራ አፈጻጸም ምን ያህል በአምስቱ የአመራር ክህሎት አላባዎች ተጽዕኖ እንደሚደረግበት ለማጣራት ነው። የልኬት መጠኑ ክብደት የሚወከለው 1= በጣም አልስማማም (በአ)፣ 2= አልስማማም(አ)፣ 3= ገለልተኛ (ገ)፣ 4= እስማማለሁ (እ) እና 5= በጣም እስማማለሁ (በእ) በቅደም ተከተል ይሆናል። ስለዚህ የእናንተን አስተያየት በሚከተለው ሳጥን ውስጥ የኤክስ (X) ምልክት እንድታስቀምጡ በትህትና እንጠይቃለን።

ተ.ቁ	ለአመራ ክህሎት ተዕኔዎ የሚያደርጉ አላባዎች	ተግባራዊ አፈጻጸም በ%				
		1 በአ	2 አ	3 ገ	4 እ	5 በእ
የመተንተን ክህሎት (መክ)						
መክ 1	እራስን መገምገም: ሀሳብን፣ ስሜትን፣ ድርጊትን					
መክ 2	ችግር መበየን: የነባራዊ ሁኔታ ጥያቄዎችንና ስጋቶችን ለይቶ መፍታት					
መክ 3	በለድርሻን መተንተን: ፍላጎትና አመለካከታቸውን መረዳት					
መክ 4	የተቋም ትንተና: ያጭርና የረጅም አላማ ስእል መያዝ					
መክ 5	የቴክኖሎጂ አጠቃቀም ትንተና አመራርን ለመደገፍ: ያሉትን የቴክኖሎጂ ግብአቶች ጥንካሬና ጉድለት መገምገም					
መክ 6	ችግርን መፍታት: የሁኔታ ትንተና በማካሄድ ተዛማጅ የአመራር ዘይቤ መተግበርና ተከታትሎ መፈጸም					
መክ 7	ውጤትን መረጃ ተንትኖ መተርጎም: ተሞክሮን ከውጤት ትንተና በመነሳት መቀመርና መተግበር					

ተ.ቁ	የግል ባህርይ ሁኔታ (ግባሁ)	ተግባራዊ አፈጻጸም በ%				
		1 በአ	2 አ	3 ገ	4 እ	5 በእ
ግባሁ 1	ባህርይ፣ የግል እሴትና ስነምግባር: የግልና የሙያ ደረጃ መለኪያዎችን ጠብቆ መያዝና መተግበር					
ግባሁ 2	የአእምሮ ችሎታና የፈጠራ ችሎታ: በአመራር ትግበራ ወቅት አስተውሎትና መጪውን ሁኔታ አስቀድሞ መበየን					
ግባሁ 3	የስራ ተነሳሽነትና መነቃቃት: በስራ አመራር ትግበራ ወቅት የሚያሳዩት የስራ አዎንታዊ አመለካከትና ፍላጎት					
ግባሁ 4	ከፍተኛ የስራ ደረጃ: የላቀ የስራ አፈጻጸም ከራስና ከሌሎች መጠበቅና አርአያ መሆን					
ግባሁ 5	የግል ቁርጠኝነትና ትጋት: በአመራራቸው ቁርጠኛና ትጉህ በመሆናቸው ለሌሎች ተምሳሌት ናቸው					
ግባሁ 6	ራስን መግዛትና የራስ መተማመን ሁኔታ: በችሎታቸው፣ ራስን በመግዛትና ትኩረታቸውን በመለየታቸው ይተማመናሉ					
ግባሁ 7	መልካም ምሳሌ መሆን: በስራና በአመራራቸው እሴቶቻቸውንና መልካም ባህርያቸውን ለሌሎች የጋባሉ					

ተ.ቁ	የተግባራት ክህሎት (ተክ)	ተግባራዊ አፈጻጸም በ%				
		1 በአ	2 አ	3 ገ	4 አ	5 በአ
ተክ 1	ተአማኒነትና እምነት የሚጣልበት መሆን፣ የሚደነቅ፣ ሳቢ መሆን፣ ተአማኒ፣ አዋቂና ተወዳዳሪ ሆኖ መገኘት					
ተክ 2	ተጽእኖ አድራጊና አሳማኝ የመሆን ችሎታ፣ ተመካሪ ሀሳቦችን፣ አመለካከቶችንና ባህሪዎችን አሳምኖ ማስረጽ					
ተክ 3	በሰዎች ማካከል ግንኙነትና ቡድን የመገንባት ችሎታ፣					
ተክ 4	አተኩሮ ማዳመጥን፣ ጥያቄ መጠየቅንና ትምህርት መውሰድን፣ ሌሎች ሲተግብሩ በትኩረት መከታተል					
ተክ 5	የጽሁፍ ችሎታና በመድረክ የመናገር ችሎታ፣ የስራ ሂደትና ውጤትን የተመለከቱ መረጃዎችን፣ አመለካከቶችን በግልጽና በጥሩ የመጻፍና ማብራሪያ የማቅረብ ችሎታ					
ተክ 6	ብዝሃነትና የባህል መስተጋብር ማሳደግ ክህሎት፣ በባህል፣ በዘር፣ በሀይማኖት፣ በፖለቲካና በህይወት ዘይቤ ቅኝት ያገናዘበ አመራር መስጠት ችሎታ					
ተክ 7	የማመቻቸት፣ የመደራደርና ግጭት የመፍታት ችሎታ፣ ውይይትን በማበራታትና የተለያዩ አመለካከቶችን በማስተናገድ ሁሉም አሸናፊ የማድረግና ግጭት የመፍታት ችሎታ					

ተ.ቁ	ተቋም የመምራት ችሎታ (ተመ)	ተግባራዊ አፈጻጸም በ%				
		1 በአ	2 አ	3 ገ	4 አ	5 በአ
ተመ 1	ራዕይ፣ ስልትና ግብ የመቅረጽ ችሎታ፣ ግልጽ አላማና አቅጣጫ አስቀምጦ ሌሎችን ማነቃቃትና የመምራት ችሎታ					
ተመ 2	የስራ አመራርና ክትትል ችሎታ፣ የተቋሙን ሀብቶችና ንብረቶች የቅርብ ክትትልና ቁጥጥር የማድረግ ችሎታ					
ተመ 3	የመረጃና እውቀት ስራአመራር እና የስራ ወሰንን የማስፋት ችሎታ፣ ልውውጥንና ፍላጎትን ከሌሎች ጋር ማመቻቸት					
ተመ 4	ቴክኖሎጂን የመጠቀም ችሎታ፣ የአመራር ተግባራቸውን በተስማሚ ቴክኖሎጂና መገናኛ ብዙሃን አስደግፎ የመምራት ችሎታ					
ተመ 5	አሳታፊ ውሳኔ አሰጣጥና የአቅም ግንባታ የመደገፍ ችሎታና፣ ውጤታማ አሳታፊነት በውሳኔ አሰጣጥና በተግባራት አፈጻጸምን የማበረታታት ችሎታ					
ተመ 6	የሌሎችን የአመራር አቅም ለማልማት በማስተማርና በማሰልጠን ክህሎትና ችሎታቸውን ማብቃት					
ተመ 7	የለውጥ፣ የስጋትና የግጭት አመራር ችሎታ፣ ሊያጋጥሙ የሚችሉና የታቀዱ የለውጥና የማሻሻያ አሰራሮችን ማስፋፋትና ካልታሰቡ ስጋቶች መቋቋምን በተመለከተ					

ተ.ቁ	የሙያ እውቀት ችሎታ (ሙ.እ)	ተግባራዊ አፈጻጸም በ%				
		1 በአ	2 አ	3 ገ	4 እ	5 በእ
ሙ.እ 1	በትምህርት የሚገኝ እውቀት ችሎታ፡ በዘርፉ የሙያ ተዛማጅነት ያለው የመደበኛ ትምህርትና ስልጠና ችሎታ					
ሙ.እ 2	የስራና ሙያ ልምድ፡ በጨርቃጨርቅና አልባሳት ስራ ዘርፍ ሊገኝ የሚችል በቂ ልምድ አላቸው					
ሙ.እ 3	የጠለቀ እውቀትና ልምድ፡ ተዛማጅነትና አስፈላጊነቱ የተረጋገጠ የዘርፉ አመራር የስራ ክህሎትና ችሎታቸው					
ሙ.እ 4	ዘርፉ የሚፈልገው ዕውቀትና ልህቀት፡ በዘርፉ የሚነሱ ጥያቄዎች፣ ፈተናዎችና እድሎችን የመረዳት ችሎታ					
ሙ.እ 5	የዘርፉን አሰራርና አደረጃጀት የመረዳት ችሎታ፡ ጥያቄዎችን፣ ፈተናዎችንና እድሎችን ለዘርፉ ግብአት ማድረግ					
ሙ.እ 6	ስራውን ጠንቅቆ የማወቅ ችሎታ፡ የዘርፉን ዝርዝር ተግባራት በጥልቀት ማወቅና ክራስ አላማና ፍላጎት ጋር ማስማማት					
ሙ.እ 7	ሙያውን ለማሳደግ እድሎችንና አጋጣሚዎችን በግልጽ በተቋምም ደረጃ የሚፈጠሩትን ለእድገትና መሻሻል መጠቀም					

ክፍል ሦስት፡ በጀማሪ የጨርቃጨርቅና አልባሳት ስራ ዘርፍ የስራ ውጤት ስኬትን መለኪያ፡

ከታች ያለው የስራ ውጤት ስኬትን በጀማሪ የጨርቃጨርቅና አልባሳት ስራ ዘርፍ ለመለካት ነው። የልኬት መጠኑ ክብደት የሚወከለው 1= በጣም በጥቂቱ (በበ)፣ 2= በጥቂቱ(በ)፣ 3= ገለልተኛ (ገ)፣ 4= በትልቁ (በቁ) እና 5= በጣም በትልቁ (በበቁ) በቅደም ተከተል ይሆናል። ስለዚህ የእናንተን አስተያየት በሚከተለው ሳጥን ውስጥ የኤክስ (X) ምልክት እንድታስቀምጡ በትህትና እንጠይቃለን።

ተ.ቁ	የስራ ውጤት እድገት (ስው.እ)	ተግባራዊ አፈጻጸም በ%				
		1 በአ	2 አ	3 ገ	4 እ	5 በእ
ስው.እ 1	ላለፉት አምስት አመታት የተቋማችሁ ተቀጣሪ ሰራተኞች ቁጥር በምን ያህል አደገ?					
ስው.እ 2	ላለፉት አምስት አመታት የተቋማችሁ አጠቃላይ ሀብት በምን ያህል መጠን አደገ?					
ስው.እ 3	ላለፉት አምስት አመታት የተቋማችሁ አጠቃላይ ትርፍ መጠን በምን ያህል መጠን አደገ?					
ስው.እ 4	ላለፉት አምስት አመታት የተቋማችሁ አጠቃላይ የመዋሕሰ ነዋይ ተመላሽ መጠን በምን ያህል መጠን በየአመቱ አደገ?					
ስው.እ 5	ላለፉት አምስት የጀማሪ የጨርቃጨርቅና አልባሳት ስራ ድርጅታችሁ ጠቅላላ አቅምና ቁመና በአመራር ብቃትና በተቋሙ አፈጻጸም መካከል ምን ተጽእኖ ነበረው?					

ላደረጋችሁልኝ ትብብር በጣም አመሰግናለሁ!!