



ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF PUBLIC ADMINISTRATION AND DEVELOPMENT MANAGEMENT

**EVALUATION OF LEADERSHIP AND ORGANIZATIONAL PERFORMANCE IN
SMALL SCALE ENTERPRISE IN ETHIOPIA: CASE OF ALETAWONDO TOWN,
SOUTHERN NATION NATIONALITY PEOPLE REGIONAL STATE OF ETHIOPIA.**

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This is to certify that the thesis prepared by Bereket Mekonen entitled evaluation of leadership and organizational performance in small scale enterprise in ethiopa: case of aletawondo town, Southern Nation Natinality People Regional State of Ethiopa. Which is submitted in partial fulfillment of the requirements for the Degree of Master Public Managment and Policy (MPMP), complies with the regulations of the universty and meets the accepted standards with respect to originality and quality.

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List of Acronyms

CSA	Ethiopian Central Statistics Authority
GTP	Growth and Transformation plan
MSE	Micro and Small Enterprise
MoFED	Ministry of Finance and Economic Development
SSE	Small Scale Enterprise
SNNPR	Southern Nation Nationality People Regional State
TVET	Technical and Vocational Education and Training

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Abstract

From time immemorial, the role of leaders in ensuring excellent organizational performance cannot be over emphasized. The need for adequate motivation, suitable working environment, compensation and efficient communication between employers and employees are important to promoting excellent organization performance. Though studies on leadership role amongst employees are well studied in developed countries, less could be said of in developing countries like Ethiopia. Therefore, it was important to evaluate leadership and organizational performance in small- scale industries in Alatawondo, sidama zone, SNNPR, Ethiopia. The evaluation was done through use of questionnaires with questions tailored towards determining: the relationship between leadership and organizational performance, style of leadership and its effect on organizational performance, the factors responsible for worker's low performance and how leadership style has affected labor management relations and productivity in the study area. After analyzing the result, it was concluded that to attain the objectives of small-scale industries in Alata wondo, it was necessary that leadership recognizes the needs of the workers, employ appropriate motivational tool such as promotion of staff based on merit and skills, provide suitable working environment and provide an appropriate leadership style that will encourage free flow of information among employer, superior officers and other employees.

CHAPTER ONE

INTRODUCTION

1.1. Background of the study

The development of small-scale enterprise (SSE), it is argued, would have a number of advantages for the industrial development of developing countries. First, since the sizes of the domestic markets of most developing countries are limited due to their small geographical size and the low purchasing power of their population, small-scale enterprise (SSE) would be appropriate to exploit economies of scale. Secondly, since capital required per job created in small industries is relatively small, they can assist in coping with the growing unemployment problems. Thirdly, since small-scale enterprise (SSE), do not require much capital, particularly foreign exchange; it is easier to set up many industries in many regions with relatively smaller investment. Fourthly, small-scale enterprise (SSE) would be seedling grounds for the growth of entrepreneurship in developing countries. For these and other reasons, the arguments in favor of small-scale enterprise (SSE) have been accepted both by governments of developing countries and international organizations like the United Nations and the World Bank (Maad, 2008).

Consequently, SSEs have significant roles in the Ethiopian economy. Their role is immense in terms of employment generation, powerful instrument in economic growth, source of income, quick production response, their adaptation to weak infrastructure and use of local resources, a means of realizing equitable income distribution and injecting a feeling of competition. SSEs also have great value in Ethiopian socio-economic growth as it requires small capital, promote inter-sectoral linkages as it is a base for medium and large scale enterprises, increased domestic saving and investmentt (Diriba , 20013).

With regard to the contrubtion of SSEs; Today's turbulent competitive environment requires a strategic leadership approach. Here most authorities define the term leadership as influencing others to do what needs to be done; especially those things the leader believes need to be accomplished. Also leadership is mobilizing the interest, energy, and commitment of all people at all levels of the organization. It is a means to an end. "An effective leader knows that the ultimate task of leadership is to create human energies and human vision" (Drucker, 1992, p. 122). Since human beings could become members of an organization in other to achieve certain

personal objectives, the extent to which they are active members depends on how they are convinced that their membership will enable them to achieve their predetermined objectives. Therefore, an individual will support an organization if he believes that through it his personal objectives and goals could be met; if not, the person's interest will decline. Leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization. Also the extent to which members of an organization contribute in harnessing the resources of the organization equally depends on how well the managers (leaders) of the organization understand and adopt appropriate leadership style in performing their roles as managers and leaders. Thus, efficiency in resources mobilization, allocation, utilization and enhancement of organizational performance depends, to a large extent, on leadership style, among other factors (Messick D. M and Kramer R.M, 2004).

Therefore Stoner and Gilbert (2001) stressed that an understanding of leadership is important to small scale enterprises (SSEs) because leadership binds subordinates to work together and stimulate employee's motivation. Also, leadership assists in management development and training, effective leadership provides the building block for organizational performance. It is absolutely essential to the survival and growth of every organization. Therefore in recent years, the study of leadership has drawn more attention due to its role in the failure or success of an organization.

1.2. Statement of the problem

Organizations are set up to achieve some set goals. In order to achieve these goals and objectives, the human factor is most important. Top on the human factor list is the leader. A leader influences organizational members to contribute efforts willingly towards the accomplishment of pre-determined goals and objectives. Thus, Leadership has been a topic of interest, speculation and debate. Since the time of Plato, studies on leadership have examined leaders focusing on what leaders do in the physical world of human beings. Perhaps the most prominent reason for this interest is the widespread belief that leadership can affect the performance of organizations. This shows that one principal factor which makes organizations to survive, grow and adapt to environmental challenges is leadership (Rossouw and Vuuren, 2013). The distinction between successful and unsuccessful organizations can be attributed to differences in the levels of intellectual development and effectiveness of leadership in each group (Goleman, 2000).

According to Perry, poor leadership practices in SSEs are the cause of many SSEs failures. So for SSEs to be successful it must have robust leadership; transformational and transactional leadership styles are essential for expanding businesses; and, the right leadership style leads to new competition, encourages economic growth, expands social mobility, and extends employment opportunities to individuals. Also High-quality leader-follower relationships have been found to have impact on employee performance, organizational commitment, delegation, empowerment, and job satisfaction. In addition, in SSEs, leaders are the key persons making day-to-day decisions, considered the most imperative drivers of success in enabling firms to achieve their organizational goals. This confirms that the decisiveness of the leader is an essential contribution towards organizational success.

In Ethiopia, SSEs occupy the lion share from private sectors. It have the potential to address unemployment issues and economic growth in the country. One to this end, the Ethiopian government gives emphasizes for the promotion and development of SSEs so as to address unemployment issues, achieve economic growth and equity in the country and introduced National Micro and Small Enterprise Development and Promotion Strategy in 1997 (MoTI, 1997). Besides, the government has emphasized the development of private enterprise in its

Growth and Transformation plan (MoFED, 2010). Given the significant role of SSEs in the Ethiopian economic development, leadership in SSEs is always identified as the missing link; cannot be much concerned.

The number of small scale industries spring up yearly in Ethiopia are so much but, many of them go downhill because of a lot of factors militating against them and the problems have been attributed to the performance of Leadership. The main purpose of this study is therefore Evaluation of leadership and Organizational Performance in Small Scale enterprise of Ethiopia; A Case Study was selected SSEs in Aleta Wondo town, which is located in Sidama zone, southern Ethiopia. And this work was also determined the extent to which these leadership styles correlate with the performance of the organizations. Meanwhile, the study is premised on the assumption that leadership styles and organizational performance are significantly related. Also, it was find out how leadership style has affected labor management relations and productivity in the selected area of study.

1.3. Research questions

In this research the following research questions were answered

1. what is the relationship between leadership and organizational performance of SSEs in Aleta Wondo town, Ethiopia.
2. what style of leadership is applied and how does affect organizational performance of SSEs in Aleta Wondo town, Ethiopia.
3. What is the performance level of SSEs worker is low in study area ? why?.
4. Does leadership style of SSEs affect labor management relations in Aleta Wondo town, Ethiopia?.

1.4. Objective of the study

The main aim of the study was to evaluate leadership and organizational performance in small scale enterprise (SSEs) in Ethiopia: case of Aleta Wondo town, Sidama zone; SNNPR of Ethiopia.

1.4.1. Specific Objectives

The following specific objectives are assessed to attain the overall objective of the study:

- ✓ To analyze the relationship between leadership and organizational performance in the select SSEs in Aletawondo town, ethiopa
- ✓ To determine the style of leadership and its effect on organizational performance in the select SSEs in Aletawondo town, Ethiopia.
- ✓ To identify the factors that causes for worker's low performance in the select area of study.
- ✓ To find out how leadership style has affected labor management relations in Aletawondo town, Ethiopia

1.5. Significance of the Study

Ethiopia as a nation is currently faced with a sharp increase in number of entrepreneurs who form business in common areas relating to maintenance, wholesales and production industries.

Based on this, this study will be immense significance in a number of ways:

1. It can be one input to existing Entrepreneurs, potential entrepreneurs, MSE heads of the town and TVET institutions to give more attention to leadership style of the enterprise.
2. It shows what areas of support should TVET institutes and MSEs have to work together.
3. This study will also help management and leaders of SSEs to become aware of the factors that actually motivate their employees to low and high productivity in their work

1.6. Limitations and scope of the study

1.6.1. Limitations of the Study

Even though different efforts have been made, the researcher faced some challenges while doing this study. To begin with, the fact that the some of the respondents' do not give values to the questionnaire and some others do not return it totally. Besides this, some others see the questionnaire politically even though orientations have been made. Furthermore, since respondents have been in a tight work, some were not as such willing to fill the questionnaires. Lastly, since the respondents were scattered in different sites, some difficulties were faced in giving orientations, following up respondents and collecting responses. Therefore, these conditions might affect the quality of the paper to some extents.

1.6.2. Scope of the study

Geographically the study was delimited to Aletawondo town and although, there are different issues that can be researched in relation to SSEs, this study is delimited to evaluation of leadership and organizational performance in small scale enterprises (SSEs) in Aletawondo town. And also this study does not include micro enterprise so that it will make the information receive to be worthwhile and useful and other reasons are the following:-

- The sector has been increased from time to time in Aletawondo town following the extensive growth number of graduate from technical and vocational schools and universities.
- Numerous different types of small scale enterprises (SSEs) emerged from time to time in this area of study.
- The existence of financial and time constraints limit the area of study do not go beyond this location.

1.7. Organization of the paper

This study is organized into four chapters. Chapter one of this paper deals with the introduction which contains background, problem statement, objective, research questions, and limitations. In the second chapter, conceptual and analytical frameworks of the research are present as Literature Review. In Chapter Three includes the research approach as well as describes the data collection and presentation. Chapter four summery of finding, conclution and recommendation of the study is present in the final chapter.

1.8. Research methodology

1.8.1. Research Design

Research design is the blueprint for fulfilling research objectives and answering research questions (John A.H. et al., 2007:20-84). In other words, it is a master plan specifying the methods and procedures for collecting and analyzing the needed information. Among the types of research design for this study the researcher used descriptive types of research design. The reason for using this design is that it enables to describe the relationship between leadership and organizational performance of SSEs in Aleta Wondo town. Also the research utilizes both quantitative and qualitative methods to clarify concepts, characteristics, descriptions, and measures to demonstrate implications of the issue.

1.8.2 sources of data and Instrument of Data Collection

The data used for this study were obtained from different sources. It generated for the study comprises of primary and secondary sources. The quantitative research relies on field data collected using structured questionnaire that included questions on different issues in evaluation of leadership and organizational performance in study area. The qualitative research mainly focused on evaluation of leadership and organizational performance in study area. Information is attained through interviews.

Questionnaires: This forms the major source of primary data used in the study and both open and closed ended questionnaires are used to collect primary data. The data collected from this source obtained through use of questionnaires were constructed by the researcher and approved by the advisor. The data require for this study were collected through actual visits to the selected industries and face-to-face distribution and administration of questionnaires to the respondents from the selected small-scale industries.

Face-to-face Interview: Apart from use of questionnaires, a structured interview was conducted for micro and small scale enterprise office head and officers.

Also Secondary data was collected from Internet, textbooks, government publications, unpublished research work and journals.

1.8.2. sampling and sampling technique

The Aletawondo town were purposely chosen among the woredas of SNNPRs , as a study area for this research. This is because it is claimed by the government of Ethiopia, that the MSE sector is a prime strategy to economic development in urban areas. Second, the town was among selected woredas in SNNPRs based on their good performance of MSEs which is awarded by SNNPRs micro and small enterprise office of the regional state in 2014.

The sampling technique involved the stratified random sampling method employ to select enterprise inorder to classify enterprises in to strata based on the type of activities/industries they undertake. Therefore from the total number of 194 SSE were selected 50 of SSE by using simple random sampling methods to give equal chance for all which is shown in table 1 below.

Table: 1.1 Distribution of SSEs enterprises.

Ser No	Enterprise activites /industries	Size of SSEs	Sample size
1	Metal work	9	3
2	Wood work	19	6
3	Service Delivery	45	10
4	Urban agriculture	40	8
5	Texile and germent	16	4
6	Food preparation	19	6
7	retail	15	3
8	construction	20	6
9	Maintenance and repaiting	6	2
10	Solid waste	5	2
Total		194	50

Source: Woreda Micro and Small scale Enterprise Office

And from the total number of 750 employes of SSE and 50 of leaders from each SSEs, 80 respondents were selected which is 10% of employe from each activities/industries by using

simple random sampling technique. This is because to ensure adequate and equal chances of employees.

1.8.3. Data analysis and Interpretation

Both open and closed ended questionnaires are used to collect primary data, and collected data was analyzed and synthesized in accordance with the objective of the study. A descriptive method of data analysis was employed to describe the results and to achieve the required results of the study. To analyze the data obtained from the questionnaires, appropriate statistical tools like percentage and tables were employed.

1.9. Ethical considerations

The researcher considers the research values of voluntary participation, anonymity and protection of respondents from any possible harm that could arise from participating in the study. Thus the researcher; introduce the purpose of the study as a fulfillment of a Degree' Study programme and not for any other hidden agenda by the researcher and request the respondents to participate in the study on a voluntary basis and refusal or abstaining from participating is permitted. The researcher also Assure the respondents of confidentiality of the information give and protection from any possible harm that could arise from the study since the findings can be uses for the intend purposes only.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. Overview and Concept of Leadership

In the beginning of the 20th century leadership was defined as a focus of group change, activity, and process: the leader was seen a central person who integrates the group and embodies the collective will of the group. On the grounds of his position a leader is able to serve as a primary agent for the determination of group structure, atmosphere, goals, ideology, and activities. This emphasis on leader as the centre of group activity directed attention to group structure and group processes in studying leadership (Bass 1990).

Many of the early theorists of leadership in the 1920's were interested in finding out why some persons seemed to be better able to exercise leadership than others. An extreme version of this conception were so called great man theories based on the belief that leaders can be distinguished from followers by their personality and character: leaders were born not made (Bass 1990,).

Theorists, who stressed the importance of inducing compliance defined leadership as personal social control and the art of inducing others to do what the leader wants. Leadership was about leaders directing the behavior of the followers according to the leaders' will. A leader can be anybody, who is more than ordinarily efficient in carrying psychosocial stimuli and is thus effective to condition collective actions (Bass 1990,).

The most common definition of leadership is influencing change or making people to cooperate towards some goal (Yukl 2000,). According to Chemers (2003,) in this process the leader enlists the talents and efforts of other group members to accomplish the group's chosen tasks. For Stogdill (1950) leadership is the process of influencing the activities of an organized group in its efforts towards goal-setting and goal achievement.

Organizational leadership is “the influential increment over and above mechanical compliance with routine directions of the organization” because human beings are in positions of authority and power. They distinguish leadership from managerial power. Influence is a reciprocal relationship between the leader and his/her followers, which is not necessarily dependent on domination, control or induction of compliment from the leader’s side or on the formal position or role of the leader. The relationship between the leader and her/his followers has also been depicted in terms of ethics: leadership is a moral relationship between people based on trust, obligation and a shared vision of the good (Ciulla, 2004,).

Leadership has also been used to refer to certain acts or behaviors’, which can be differentiated from other kinds of behaviors’ for example by the opinion of the experts of the field or by specifying leadership behaviors’ through referring to the results of the behavior: leadership behavior results to other people responding in a shared direction. Leadership behaviors’ include acts, which are performed, when a leader directs and coordinates his group’s work (Bass 1990,).

Barnard's (1997) views of leadership are examples of combinations of different leadership definitions. For Barnard (1948) leadership refers to the quality of the behavior of individuals guiding other people in organized efforts. Organized efforts, which take place in systems of cooperation, are the secondary aspect of leadership. Barnard states that “leadership appears to be a function of at least three complex variables – the individual, the group of followers, and the conditions”.

Kotter (1988,) addresses 'leadership' in two ways: 1) as the process of moving a group to some direction through (mostly) no coercive ways and 2) as people who are in roles where leadership (according to the first definition) is expected. Kotter uses the term 'leadership' in the first sense as a process and not as a group of people. Good leadership is about directing people according to their best long-term interests.

The definitions presented above have been the most common in leadership studies up till 1980s. Since then new conceptions of leadership have emerged (Bryman 1996,). Leadership as a distinct kind of social practice addresses the social interaction processes in which the leader identifies a

sense of what is important and defines organizational reality for her/his subordinates a leader is a manager of meaning.

Leadership defined in terms of contextual, collective processes stresses the importance of context; Leadership cannot be understood apart from the social systems in which it is embedded. The contextual and collective nature of leadership is further emphasized in the definitions of leadership as an explanatory category in the sense making process of organizational activities and outcomes or as an alienating myth used to reinforce existing social structures and forms of domination (Pfeffer 1977).

Generally defining leadership in a uniform manner has been seen as not possible. It is rather difficult to claim that 'leadership' as a general term and object of study stands in clear relationship to a particular, distinct group of phenomena possible to conceptualize in a uniform manner, for example, through the signifier leadership. It seems that researchers define leadership according to their own conceptions of it and according to what they perceive as important, interesting or useful (Pfeffer 1977).

2.2. Leadership characteristics

Number of writer on leadership state its characteristics include ability to ascertain external factors, fast action orientated, high gain risk taker, immersed in progressive change, inspirational and motivation, charismatic, passionate, and visionary leaders.

Ability to ascertain external factors

Agbor (2008) inserted that the leadership must have the ability to convince the employees to participate in organizational activities and take ownership of what they do as long as is about innovation. This will ascertain external factors. And leadership themselves must be committed, passionate and enthusiastic about new developments that resemble creativity and innovation. Also in order to build a successful and sustainable innovation culture, leadership needs to accomplish two broad tasks:

First leaders need to be intensely sensitive to their environment and extremely aware of the impact that they themselves have on those around them. The second factor is the ability of leaders to accept and deal with uncertainty. so he concluded that tolerance of uncertainty allows space for risk taking, and exploration of alternative solution spaces which do not always produce business results.

Fast action orientated leadership

Speed, responsiveness, and agility are everything to innovative leaders who analyze situations, make decisions and act on opportunities. It is in the blood of an innovative leader to want to use the available resources to bring positive changes and would rather make a wrong decision than ‘blow’ a potential opportunity by just sitting and hoping that something will happen. Furthermore, a knowledgeable industrial leader must be able to respond to any given situation with the bravery to solve problem of the day (Agbor 2008).

High gain risk taker

Innovation culture does not just happen, but it requires traits such as pro-activeness, openness to ideas, openness to actions, and risk-taking propensity. Indeed, innovation is risky. This requires an innovative leader to be brave in facing various challenges within organizations. Sloane (2003) aptly describes the conducive environment for innovations: “If you give people freedom to innovate, the freedom to experiment, the freedom to succeed, then you must also give them the freedom to fail”. Thus, failures that arise from risk-taking should not be criticized, but the effort should be recognized and acknowledged.

Immersed in progressive change

Innovative leaders build organizations and foster a culture of on-going, never-ending change. And the main objective of the innovative leader is to deal with turbulent change within the organization mainly that has to do with innovation activities, and then become master of that change. In the adaptation of progressive change an inquiry culture becomes second nature to everyone involved within the innovation activities (Sloane, 2006).innovative leader is also

capable effortlessly unleashing hidden potentials within the followers by thoroughly observing them and giving them opportunities to bring new ideas. It has become a norm and the responsibility of leaders to stimulate their followers to be innovative by questioning assumptions, reframing problems, and approaching old situations in new ways (Bass, 2002).

Inspirational and motivational leadership

Sloane (2006), believe that innovation minded leaders have the capability tap into the secret chambers of the minds, hearts, and souls of people and know to activate their staff's pride, faith, hope, drive, and perseverance to commit into organizational activities to boost organizational performance. Leaders must be able inspire others with a purpose and a greater sense of mission. These leaders inspire and motivate others by "providing meaning and challenge to their followers' work". In return, workers take ownership and work without constant supervision since they are inspired by leaders. This enables leaders to build relationships with employees through interactive communication.

Charismatic leadership

Charismatic leaders are perceived as trustworthy, highly competent and respectful to others, which enable employees to be equally open and contribute more to their organizations (Bass, 2002). Charismatic leadership quality is characterized by honesty and integrity, therefore without these qualities, leadership is undermined and seen as incompetent (Sloane, 2006). Since employees are inspired and motivated, they will be able to take high risk and generate more ideas in innovation. On the other hand, innovative leaders should have the ability to ascertain external factors, fast and action orientated in order to deal with various challenges.

Passionate leadership

According to Bass (2002), passionate leaders have the tendency of expressing their emotions freely and showcase their excitement about new ideas and change. Consequently the spirit within them enthusiast everyone in the organization and get inspired to do more. Once the passion within these leaders, it will enforce them to become role models who are admired, respected, and emulated by followers. Furthermore, leaders should be able to inspire and motive employees take ownership within organizations.

Visionary leadership

Organizational vision enables both the leaders and employees speak the same as language as they continue to work as a unit than to work as individuals (Bass, 2002). Leaders must communicate this vision to followers through inspirational speeches and written messages that appeals to shared values. Agbor (2008) commented that when leaders communicated their ideas in a vision, their vision tend to be rooted into a perspective that became appealing to the whole organization. In addressing why a leader's visionary behavior, Sloane, (2006) theorized that the vision has positive effects on followers' self concepts; followers become motivated to achieve the vision because they find it meaning-full, identify with it, and believe in the vision and their ability to achieve it. Visionary leadership is said to have positive effects on follower outcomes, resulting in high trust in the leader, high commitment to the leader, high levels of performance among followers, and high overall organizational performance. Thus, leaders should have the ability to create a clear vision for their organizations.

2.3. Theory leadership

2.3.1. Trait Theory

In the past, researchers and theorists in leadership focused on the features of leaders. This belief was probably due to the belief that leadership ability stemmed effective leadership. In turn this emanated from personality characteristics, which are either innate or acquired.

This reasoning method lost favor during the first part of this century. In fore front of explaining this reasoning is “great man” theory and personality theory. According to Wikipedia (2007), Great man’s theory was explained to be a theory supported by some people who were of the opinion that history should be explained by impacts of great men or heroes. It was believed that great men influence individuals through their charisma, virtues, intellect or political will. It was further explained that progress could be accounted for by individual efforts and that accomplishment of these great men who have some special personal trait makes them suitable as effective leaders.

Studies in leadership were dominated by researches into traits studies between the end of World War I and after World War II. However, results produced by various researches in this area were inconsistent. As early as 1948, Skogdill reviewed about 124 studies of leadership traits and found out that leaders are fluent, more popular and know how to fix their jobs. Other characteristics revealed that the results were not clear and uncertain. In light of this, six studies revealed that younger leaders supported trait theory. Skogdill concluded that it would be necessary to view leadership as a relationship between people in a social setting than as a set of characteristics possessed by the leader based on the extent to which traits differ Skogdill (1981). It was further stressed that the extent of the pattern of personal qualities of the leader should have some links to the characteristics, goals and activities of the followers. Leadership was also considered to have interactions of variables and changes.

In recent years, with the neglect of those discrediting trait theories, leadership theory and researches have changed to other framework and approaches. Though this may sound unfortunate, however, it may be said that universal leadership trait does not exist; some

evidences suggest that different traits may lead to leadership effectiveness in different situations (Outcalt, etal.,2000).

2.3.2. Behavioral theory

In direct contrast to the Great Man Theory, Behavioral Theories hypothesize that great leaders are made, not born. This theory focuses on the actions of leaders not on personalities or characteristics they possess. The belief is that the leader can become an effective leader through observation, teaching and experience. This theory focuses on how leaders behave in given situations with the thought that the leaders can be conditioned to respond appropriately when confronted with various situations. Theorists such as B.F. Skinner, John Watson and Kurt Lewin have been associated with behavioral theory. Lewin (1935) argued that there were three types of leaders: autocratic, democratic and laissez-faire. The autocratic leader makes decisions without consulting subordinates. The democratic leader consults his subordinates then makes his decision (with or without using their input). The laissez-faire leader lets subordinates make the decision and therefore takes no real leadership role other than assuming the position. Lewin believed that all leaders could fit into one of these three categories.

2.3.3. Contingency Theory

The Contingency Theories hypothesize that no leadership style is correct as a standalone. The leadership style used is contingent on factors such as the situation, quality of the followers or a number of other variables. In this theory there is no one right way to lead because the internal and external factors of the environment require the leader to adapt to that particular situation. This could never be more prevalent in a situation where a leader is very successful in a given organization but when moved to a different organization the leader is a failure. The leader didn't change, the environment, dynamics and personnel within the organization did. In a general sense, contingency theories are a class of behavioral theory that contends there is no one best way of organizing / leading and that an organizational / leadership style that is effective in some situations may not be successful in others (Fiedler, 1967).

2.3.4. Situational Theory

Quite a number of leadership theories were developed over time, most of them were in the late 1950's and 1960's. These theories emphasized the need for traits and behaviors of leaders to vary with situations if they are to be effective at work (Patchian, 1962). Patchian listed the following factors to affect leadership effectiveness:

- I.** Personality of the leader
- II.** Performance requirements of the tasks for both leader and follower
 - I.** Attitudes, needs and expectations of his followers
 - II.** Organizational and physical environment of the leader and the group.

2.5. Leadership Styles

2.5.1. Transformational Leadership

Under this type of leadership approach, individuals normally feel belongingness and sense of purpose. Both the leaders and subordinates have interdependence and share common interest and believe among themselves. They exceed their personal interest and anticipate in return compliments of the firm and group. Involvement of norms values and believes of transformation into the teaching of leaders and followers in same culture are due to the personal requirement to assist new individuals understand and fit into their customs. From the wide range of behaviors, there are collective norms that is adjusted and to make an effect on the external amendments within the firm's environment (Bass, B and Avolio. H, 1990).

Bass et al. (2003) further explain that transformational leaders pay attention to building the capacity of their subordinates by encouraging and fostering cooperation among them. They also strengthen the moral values and attitude in them. Most often in organizations, the employees build up a high level of expectation and assurance in such a leader. Hence, the employees have the pride to be recognized with the leader and then establish a firm platform of loyalty to them.

others argue that transformational leadership promotes potential improvement yielding personal dedication at a high rate among the subordinates to attain organizational objectives.

Transformational leadership takes place when the interest of followers are hold in high esteem and enhanced by leaders and also create the responsiveness and approval of the aim and mission by making the followers to be foster ahead from personal motive for the betterment of the whole group. Collectively, the dedication and potential operates to pave the way for enhanced level of productivity and quality (Lok. P & Crawford. J,1999).

Again Bass (1997) continue to state that the aim of transformational leadership is to ‘transform’ people and organizations in a literal sense – make change in their mentality and broaden vision, insight, and gain the understanding; spell out purposes; enable behavior fitting with beliefs or values; revealing changes that are permanent , self-perpetuating, and momentum building.

generally, according to Bass (2003) transformational leadership approach exhibits the following attributes: which are idealized influence, inspirational motivation, intellectual stimulation, individualized consideration, self efficiency, trust in management, meaningful work and organizational and occupational identity. All these factors contribute to employee well-being and organizational performance.

2.5.1.1. Components of Transformational Leadership

Transformational leadership is considered to be made of 5 sub-scales (Bass and Avolio, 1994). The conceptualization of the sub-scales is summarized in Table 2.1. These sub-scales are regarded as separate dimensions and better leaders display each of the five behaviors to some degree.

Table 2.1. Transformational Leadership styles and Behaviour

Transformational leadership styles	Leader Behaviour
Idealized behaviors (Living one’s ideals)	Task about their most important values. Specifies the importance of having a strong sense of purpose. Consider the moral and ethical consequences of decision.

Idealized Attributes (Respect, trust and faith)

Champion exciting new possibilities.
Talk about the importance of trusting each other.
Instill pride in others for being associated with them.
Go beyond their self interests for the good of the group.
Act in ways that build others' respect
Display a sense of power and competence overcome

Inspirational Motivation (Inspires others)

Talk optimistically about the future.
Talk enthusiastically about what needs to be accomplished.
Articulate a compelling vision of the future.
Express confidence that goals will be achieved.
Provide an exciting image of what is essential to consider.
Take a stand on controversial issues

Intellectual Stimulation (Stimulating others)

Re-examine critical assumptions to question whether they are appropriate.
Seek differing perspectives when solving problems.
Get others to look at problems from many different angles.
Suggest new ways of looking at how to complete assignments.
Encourage non-traditional thinking to deal with traditional problems.
Encourage re-thinking those ideas which

have never been questioned before

Idealized Consideration (Coaching and developing)

Spend time teaching and coaching.

Treat others as individuals rather than just as members of the group.

Consider individuals as having different needs, abilities and aspirations from others

Help others to develop their strengths.

Based on Bass (1990; 1997) and Bass and Avolio (1994; 1995)

Idealized Behaviour

This component refers to the charismatic actions of the leader that focuses on values, beliefs and a sense of mission (Avolio, 2003). These charismatic actions include talking about his/her important values and beliefs, emphasizing the collective mission and purpose as well as considering the ethical implications of his/her decisions. Avolio and Bass (1991) used the term charisma to refer to idealized influence or in other words being influential about ideals. At the highest level of morality, are selfless ideal causes to which leaders and followers may dedicate themselves.

Idealized Attributes

This refers to whether or not the leader is seen as charismatic, powerful and confident and if the followers would like to be associated with him/her. It is the attribution –followers give to their leader. Bass and Avolio (2000) states that idealized attributes includes socialized charisma of the leader where the followers feel trust, admiration, loyalty and respect of the leader. Trust is earned by the willingness to take personal risks and consistency in deciding and behaving. It involves instilling pride in others, going beyond self interest, displaying a sense power and respecting others. Making personal sacrifices and availing resources to others is also an integral part idealized influences.

Idealized Influence

Idealized behavior and idealized attributes are normally combined and are referred to as idealized influence. Idealized influence is displayed when a leader envisions a desirable future, articulates how it can be reached, sets an example to be followed, sets high standard of performance and shows determination and confidence. Followers want to identify with such leadership. Avolio and Bass (1991) used the term charisma to refer to idealized influence, or in other words being influential about ideals. At the highest level of morality are selfless ideal causes to which leaders and followers may dedicate themselves. Idealized influence also refers to the socialized charisma of the leader, whereby the followers feel trust, admiration, loyalty and respect for the leader (Bass and Avolio, 2000). Idealized influence could also be defined as the capability to act as a role model whereby the leader becomes admired, respected and trusted. Trust is earned by the willingness to take personal risks and the consistency in deciding and behaving. Idealized influence is further divided into behavioral idealized influence and attributional idealized influence. This dimension of transformational leadership refers to those leaders who have a high personal regard and who engender loyalty from followers. Leaders who apply idealized influence set the tone for moral and ethical decision making and encourage followers to outperform their own expectations for the greater good (Avolio and Bass, 1994).

Intellectual Stimulation

Transformational leaders frequently demonstrate innovative problem solving orientations. They accomplish this by challenging the status quo and encouraging their followers to create innovative solutions and alternatives to current practice. This dimension of transformational leadership thrives within a supportive climate where creativity and innovation are crucial for the leader's ability to arouse within followers an awareness of problems and recognition of their own beliefs and values (Bass and Avolio, 1995). Intellectual stimulation can also be said to be the degree to which the leader challenges assumptions, takes risks and solicits followers' ideas. Leaders who have this trait stimulate and encourage creativity in their followers. Bass (1995) stated that the leaders who apply this dimension of transformational leadership challenge organizational norms, encourage divergent thinking and also push followers to develop innovative strategies. This helps in promoting intelligence, rationality and careful problem solving in followers, challenging followers to think creatively and to find solutions to difficult problems. Also intellectual stimulation encourages followers to question their own values, assumptions and beliefs and even of those of their leader. The

leader welcomes the new ideas and solutions by the followers and this stimulates the followers to think about new ways for old problems. In this way, followers will be able to see and solve the unforeseen problems by the leader (Avolio and Bass 2004).

Inspirational Motivation

Inspirational motivation refers to the ways leaders take to inspire the followers to achieve both personal and organizational goals. The leader may do that by looking at the future optimistically and enthusiastically by providing a realizable and acceptable vision with clear communication and by presenting followers ways to reach them. In return, leaders create meaning, challenge and motivation in the followers work (Avolio and Bass, 2004). Inspirational motivation describes the role of creating and communicating the purpose and the vision of an organization in order to energize and unify followers.

Avolio, (2004) explored the concept of visionary leadership and concluded that truly inspirational motivation requires a leader to have keen insight into the deeply held hopes and values of her/his followers. In order to mobilize positive action, the leader's vision must resonate with the private earnings of others. This refers to the way in which transformational leaders energize their followers by articulating a compelling vision of the future thus creating enthusiastic excitement, raising followers' expectations and communicating confidence that followers can achieve ambitious goals (Bass and Avolio, 2000). Inspirational Motivation pertains to the ability of the transformational leader to create an inspiring, motivating, convincing and attractive future vision. By the use of symbols and the display of optimism and power, leaders are able to encourage followers' belief in their ability to perform. This is achieved by using symbolic actions and persuasive language. It also refers to leaders with a strong vision for the future based on values and ideals.

Individualized Consideration

This dimension refers to treating followers as individuals and not just members of a group (Bass, 1990; 1997). The leaders satisfy their followers by advising, supporting and paying attention to their individual needs and motivate them to develop themselves. The goal of the leaders here is not only about recognizing and satisfying the needs of the followers, but also mentor and coach them to reach their full potential. To reach this goal, leaders also make sure that they redefine the organizational climate to a supportive one that promotes new learning opportunities for followers.

In addition to creating a vision and challenging others to think critically about their work, transformational leaders recognize each follower as an individual and provide recognition and support for the development of each person's full potential. A combination of mentoring and coaching helps individual employees to understand how their needs and goals relate to and support the organization's mission. As a result, followers of transformational leaders are often more satisfied and more willing to exert extra efforts in pursuit of agency goal (Bass, 1995;). Individualized consideration is displayed when leaders pay attention to the developmental needs of followers, support and coach them. The leaders delegate assignments as opportunities for growth.

According to Bass and Avolio (2000), individualized consideration could also refer to the leadership behavior that contributes to follower satisfaction by paying close attention to the individual needs of followers, acting as a mentor or coach and enabling them to develop and self-actualize. It is also a trait whereby the leader gives personal attention to his followers, taking into consideration their individual differences. The leader is continuously involved in a process of coaching and getting feedback linking the followers' needs to the organizational mission, providing opportunities for self-actualization and personal growth. Thus, individualized consideration behaviors including developmental, supportive and nurturing elements which focus on each individual follower's needs and growth potential are likely to convey the leader's concern about the welfare of the subordinates. This may lead to the activation of followers' relational-self and is likely to be reciprocated by the subordinates, resulting in a high level of connection and personal identification with the leader.

2.5.2. Transactional Leadership

Transactional leadership is centered greatly on "exchanges" as the subordinates is been appreciated with compliments for attaining certain targets or accomplishing a task which is between the leader and follower. (Trottier *et al.*, 2008). In a pragmatic way, the transactional leadership is a good style due to its significance in reaching specific goal or targets (James. k & Collins.J, 2008). A capable and effective transactional leader identifies and a reward subordinate's achievement accordingly. Nevertheless, followers of transactional leaders are not mandatorily expected to be innovative as they could be supervised on the plan agreed based on structures or procedures. On the other hand, incapable transactional leaders could find it difficult to predetermine challenges and get involved before it gets worse, whiles suitable measures are put in place accordingly by effective transactional leaders (Bass *et al.*, 2003).

By comparing transformational and transactional leadership approaches, transformational leadership creates the opportunity for followers to be more innovative whilst transactional approach is more into pragmatic levels in structure and not in every case. A transformational leadership approach develops and empowers followers to make every efforts to exceed targets while transactional emphasizes largely on external drives for the functioning and undertaking of their assigned duties. Therefore, transformational leadership is about influencing behaviors by encouraging the recognition of innovation in the course of building trust and zeal with the readiness to absorb, while transactional leadership would direct to recognition of creativeness through strengthening and remuneration or compensation (Trottier *et al.*, 2008).

lastly, in order to develop an outstanding performance within an organization, there are the required behaviors of transformational leadership to supplement the behaviors of transactional leaders (Bass, B and Avolio, H, 1993). Hence, a paramount result is achieved when one utilizes both transactional and transformational leadership behaviors with followers.

2.5.3. Transactional Versus Transformational Leadership

Burns (1978, and Bass (1985) originally proposed ideas that distinguished between transactional leadership and transformational leadership. In transactional leadership, the leader-follower relationships are based on series of exchanges or bargains between the leaders and the followers. Those leaders can be effective to the extent that they clarify expectations and goals, but they generally neglect to focus on developing the long-term potential of followers. On the other hand, transformational leaders move beyond these simple exchange processes. They set challenging expectations and enable their followers to achieve higher levels of performance both for the individual and the organization (Bass, 1985). Table 2.2. Compares the key characteristics of transformational and transactional leaders.

Table 2.2: Comparison of Transformational and Transactional Leadership

Transformational leadership	Transactional leadership
<p>Builds a man's need for meaning.</p> <p>Is pre-occupied with purposes and values, morals and ethic.</p> <p>Transcends daily affairs.</p> <p>Is oriented towards long-term goals without compromising human values and principles</p> <p>Releases human potential- identifying and developing new talent.</p> <p>Designs and redesigns jobs to make them meaningful and challenging.</p> <p>Aligns internal structures and systems to reinforce overarching values and goals.</p>	<p>Builds on man's need to get a job done and make a living.</p> <p>Is pre-occupied with power and position, politics and perks.</p> <p>Is short-term and hard data oriented</p> <p>Focused on tactical issues.</p> <p>Relies on human relations to lubricate human interactions.</p> <p>Follows and fulfils role expectations by striving to work effectively within current systems.</p> <p>Supports structures and systems that reinforce the bottom line, maximize efficiency and guarantee short-term profits.</p>

Based on Bass (1990; 1997) and Bass and Avolio (1994; 1995)

2.5.4. Laissez-Faire Leadership

This can be describes as a non authoritarian leadership approach which uses less obvious means to successfully complete tasks in reaching a control and offer the least assistant to its followers. Transactional and transformational leaders are referred to as leaders who enthusiastically intercede and make an effort to avoid problems, even though the two styles are different. Studying these two dynamic fields of leadership, it can be deduced that there are often difference with the third approach of leadership referred as laissez-faire (Bass. B,1990).

It has been recorded by researchers several times that laissez-faire leadership is the least fulfilling and least effective approach of leadership approaches. Issues of less sense of collective unity, little sense of achievement, less transparency and as such subordinates do not have a lot of

respect for their supervisors due to Laissez-faire leadership behaviors (Lok.P & Crawford.J, 1999).

2.6. Style of Leadership in Small Scale Enterprises (SSEs).

Leadership theory has been examined over the years in various research studies. The general view of leadership is that success or failure in producing results depends on the character of the leader-personal traits, culture, and behavior and not on any generalized concept of leadership. but research shows that not all organizational leaders have the same leadership styles in achieving success. In otherwords there was no single leadership pattern that guided all organizations or all leaders within successful organizations (Bass. B, 1990).

Small business leaders need a better understanding of leadership styles to show development and progress in achieving the organization's goals and objectives. Research on small businesses provides the small business leader and owner the understanding of what leadership activities are necessary to position the organization to achieve its goals and objectives. Leadership is crucial in holding together a healthy work environment and for organizational performance of small bussiness (Peter. M , 2005).

McClelland (1961) considers SSEs with the following characteristics: a liking for moderate risk taking; confidence in ability to succeed; energetic action directed towards one's self advancement; the desire for freedom and individual responsibility; and individual success usually measured by the acquisition of wealth. The distinguishing characteristic of SSEs autonomy is the freedom to take decisions according to the individual's preference. Many organizations owe their existence to the individual efforts of entrepreneurs. New organizations are formed as SSEs devote time and effort and assume personal financial, psychological, and social risks to introduce innovations. The formation and the survival of an organization during its formative stages might depend on the individual efforts and personality of its founder. The problem with SSEs style of leadership, however, is that it is personalized. Entrepreneurs are visionaries who value the autonomy to make decisions as they see fit and to take personal responsibility for those decisions in order to realize their visions. As a result SSEs leaders tend to maximize control and eschew delegation of authority and responsibility, preferring instead to

directly carry out or to supervise most of the day-to-day operations of their organizations themselves. This type of management, however, allows SSEs to offer personalized service or attention to their clients thus giving them a competitive advantage over large enterprises. Delegation is related to the expansion of the business. As the business expands, there is more division of labour and the entrepreneur has to be aware of the extent of the growth of the business so that division of labour and delegation can be properly planned.

According to Lawal, et al (2002) the archetypal entrepreneur is the embodiment of the business with his or her own personal welfare being closely intertwined with that of the enterprise. This close identification of the business with its owner prevents the development of businesses into corporate identities with interests which are distinct from those of their owners. The lack of separation between the individual owners and organizational interests prevents the formation of partnerships with both relatives and non-relatives. Indigenous businesses are generally small and bureaucratic characteristics, coupled with the autocratic leadership characteristic in SSEs are likely to render the succession process in the organizations unpredictable and more likely to be disruptive.

2.7. Leadership and Organizational Performance

Assuming “the essence of leadership is influence”, leadership could broadly be defined as “the art of mobilizing others to want to struggle for shared aspirations” (Reger, 2001). However, it could be argued this “influence, mobilization and struggle” is of little value in an organizational context unless it ultimately yields an outcome in line with the “shared aspiration” for leadership to be deemed successful.

Creating results in today’s ever changing and increasingly competitive world requires a very different kind of leadership from what was studied in the past. While leaders in the past managed perhaps complex organizations, this was in a world of relative stability and predictability. In today’s globalized world, with organizations coping with rapidly changing environments, leaders face a new reality. Working in flexible contexts and connected by real-time electronic communication, increasingly mobile employees have themselves become the critical resource of their organizations (Reger, 2001). What is now needed are leaders who simultaneously can be agents of change and centers of gravity, keep internal focus and enable people and organization

to adapt and be successful, while at the same time never letting go of the customer focus and external perspective (Alimo Metcalfe, 1998). Reger, 2001 assert that the appropriate measurement outcome from leadership quality is effectiveness (reflecting the leader's efficacy in achieving organizational outcomes, objectives, goals and subordinates needs in their job). Thus, the measure of organizational performance in the current study represented the degree to which a company achieved its business objectives.

This shows that Effective leadership style is seen as a potent source of management development and sustained competitive advantage, leadership style helps organization to achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring that employees have the resources needed to get the job done. Broadly speaking, leadership performance is identical with organizational performance. Business management attributes their successes to leadership efficiency, that is, the leadership style of administrative supervisors has a considerable effect on the organizational performance (Reger, 2001).

2.7.1. Transformational Leadership and organizational Performance

According to Burns (1978), transformational leaders form a vision that inspires and motivates the target audience. Transformational leaders attempt to elevate both followers and leaders to perform better with a higher level of consciousness. In transformational leadership, the employees are empowered and feel compelled and dedicated to assist in accomplishing the goals and objectives of the organization. Also Studies by Lewis, (1987) has shown that, there is strong correlation between transformational leadership with organizational performance. This strong correlation has been proven by Avolio (1999) and Bass (1998) with numerous different measures. Such researches have correlated the transformational leadership with supervisory assessments of managerial performance , promotion, innovation and achievement. Elenkov (2002) who studied the relationship of transformational leadership on organizational performance in Russian companies found that transformational leadership directly and positively link to better performance. This shows that transformational leadership was positively linked to organizational performances and the chief executive officers hold a vital role in the firm's success.

2.7.2. Transactional Leadership and organizational Performance

Robbins (2003) stated that transactional leaders are seen as those “who guide or motivate their followers in the direction of established goals by clarifying role and tasks requirements”. Transactional leadership is created based on the basis of exchange between leaders and followers. Followers are stimulated with rewards in an exchanged based relationship. The relationship expires as stated in the terms of the contract or will be invalidated if promised rewards are delayed or not accomplished. Lewis, (1987) stated that transactional leadership believed reward system is necessary between leaders and followers for the objective of advancing their personal goals. Avolio (1999) finds that transactional leadership is the elementary factor to organizational success at both team and individual level and that transactional leadership behavior has vital relation with group and individual performance factors.

2.8. Micro and small enterprise in Ethiopia

Micro and small enterprises (MSEs) are considered as one of the principal driving force in the economic development of a given country. They stimulate private ownership and entrepreneurial skills. They also flexible and can adapt quickly to changing market demand and supply situation. Further, they are the main ground for the generation of employment opportunity. There is none accepted definition for MSEs. The definitions, given vary from country to country and even within the same country. All use a range of terms to describe MSEs, for example, small businesses, small manufacturing enterprises, small firms, small enterprises, small-scale industries, micro enterprises, the informal sector, cottage and handicrafts, tiny businesses, other income generating activities etc...

Different countries also used different criteria for the classification, such as number of other members of the enterprises, assets, and other members of the enterprises“ capital, sales turnover or a combination of the above to determine the size of enterprises (Gebrehiwot and Wolday, 2004:4). This lack of consistent definition of MSEs led to confusion to distinguish between one segment and another and bring significant implications on the structure of interventions and promotional supports that could be provided to the sector. As a result, different countries adopt their own criteria to define MSEs. In the UK, for instance, the Bolton committee (1971) recognized the diversity of the sector and described small enterprises as manufacturing

businesses employing 200 workers or less. In the same manner, the construction sector employing 25 workers or less, road transport which has 5 vehicles or less and mining employing 25 workers or less are considered as MSEs. In the US, the small business administration qualitatively defined a small business as one which is independently owned and operated and which is not dominant in its fields of operation. For statistical purposes, a small business is defined by the administration as one, which has other members of the enterprises less than 500 workers (Andualem, 1997:3).

In the Middle East region, according to the United Nations study (1970), a small-scale manufacturing industry covered 5 to 49 other members of the enterprises. In South East Asia, MSEs are divided based on capital assets or full time workforce. For example, for Philippines, Malaysia, Singapore and Thailand, MSEs are those employing 5-49 workers. When we see the sector in Africa, in Mauritius, MSEs are defined as a unit employing less than 25 workers and having a fixed investment in machinery and equipment not more than 45,000 USD. In Congo, they use number of other members of the enterprises for the classification and defined MSEs as constituting 5 to 19 workers. In Ethiopia, according to Rweyemamu (1964:17), small-scale enterprises are defined as those with capital investments up to 100,000 birr and employing 10 to 15 workers. Andualem (1997:8) also defined micro enterprises as owners manage business activities that are independently owned and operated, have small share of the market and employing 5 or less workers, while, Small enterprises are those employing 6 to 9 workers.

In Ethiopia, MSEs are defined by the Central Statistics Agency and the Ministry of Trade and Industry which are the basic applicable definitions. As the Agency categorize and defined MSEs for the purpose of compiling statistical information on the sector. Based on this, organizations which are employed less than ten persons and using motor operated equipments considered as small-scale manufacturing enterprises. Furthermore, as cited by the same researchers, the agency categorized the enterprises in micro-enterprise in to informal sector operations and cottage and handicraft industries as:

Cottage and handicraft industries are those establishments performing their activities by using non-power driven machines;

While the informal sector is defined as household type establishments or activities which are non registered companies or cooperatives operating with less than 10 persons

In the same token, the Ministry of Trade and Industry also categorize the MSEs sector into micro enterprises and small enterprise for the purpose of a strategy (MOTI, 1997) as:

Micro Enterprises are those small business enterprises with a paid-up capital of not exceeding Birr 20 000, - and excluding high technical consultancy firms and other high tech establishments.

Small Enterprises are those business enterprises with a paid-up capital of above 20,000 and not exceeding Birr 500, 000 and excluding high technical consultancy firms and other high tech establishments. In general, the Micro and Small Enterprises Sector is described as the national homes of entrepreneurship. It provides the ideal: environment-enabling entrepreneurs to exercise their talents to the full capacity and to attain their goals. In comparison with other countries, it is known that in all the successful economies, MSEs are seen as a springboard for growth, job creation and social progress at large.

Conceptual Framework



Fig.1 Research Conceptual Framework

Source : Developed by Researcher

The conceptual framework envisions a relation between the independent variables (Laissez-faire leadership, Transformational leadership and Transactional leadership style) and dependent variables (Organizational Performance).

Figure 1 illustrates the connection between leadership styles and organizational performance. These concepts are applied to explain the association between leadership styles and organizational performance, given the unit of study, Small scale enterprise in ethiopa case of aleta wondo worda in southern nation nationality regional state of Ethiopia.

CHAPTER THREE

3. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The purpose of this study is to critically evaluate leadership and organizational performance in small scale enterprise in Ethiopia: case of Aletawondo town, SNNPRS; Ethiopia. In order to reach stated objective data were collected from selected industries employees and micro and small scale enterprise office heads of Aleta wondo town. And for this study 80 questionnaires were distributed, out of which 73 were completed and retrieved successfully, representing 91% response rate. Generally, in this section data collected through questionnaires and interviews were presented concurrently.

3.1. Background Information on SNNPRS and Aleta wondo Woreda

Art 1 of the 2001 revised constitution of the Southern Nations, Nationalities and Peoples' Regional State proclaims the establishment of the SNNPRS and hence the SNNPR, established in 1992, is one of the nine regional states and two urban administrations in the country (Revised Constitution of SNNPR, 2001). The region is located in the South bordered by Kenya in the south, Sudan in the southwest, the Gambela Region in the west and Oromia Region in the north, northeast and east. The region is organized in to 13 zones and 151 'Woreda's. Hence, the SNNPRS is among the widest regional states of Ethiopia. The SNNPRS is a unification of four regional states and they become one for the sake of administrative and political reasons. There are more than 45 ethnic groups in the region and The SNNPRS is one of the regions well known for its more than 56 nations and nationalities, languages and cultural diversity. More than 50% of the country's languages and cultural heritages are found in the SNNPRS. The languages spoken in the region are classified under four language families: Omotic, Cushitic, Semitic, and Nilotic.

The Aleta wondo Woreda is therefore one of the *Woreda* in the SNNPRS and it found in sidama zone of SNNPRS. This *woreda* is around 44072 square meters area wise and the district is located at 1200-2600 meter above sea level. 60% of the district land is plateau while 40% is highlands. As far as the weather is concerned, 20% of the district is cold, 70% medium and 9% very hot or arid. The *woreda* has subsistence agriculture which depends on rain and the main rain season is from June to September each year.

3.2. Demographic characteristics of respondents

Five relevant demographic variables of the respondents were gathered as background information. These demographics characteristics of the respondents are summarized in below Tables. As far as sex, age, education level and experience distribution of the respondents were concerned, as one can easily depict from Tables, respondents with different background were participated in this study; which most of them are with the background that enables them to fairly react to the requirement of this study.

Table 3.1- Distribution of Respondents by sex

sex	Number	percent
Male	68	85%
Female	12	15%
Total	80	100%

Source: Research Data (2015)

As can be seen from the table above, 68 respondents representing 85% of the total respondents are male, while 12 of the respondents are female constituting 15% of the respondents. The domination of the male in the sample is due to the fact that in the households of the study area who live in the marriage ties, husbands are primarily responsible for household's income.

Table 3.2- Distribution of Respondents by Age

Age	Number	percent
18-29	41	51%
30-40	28	35%
41-50	8	10%
51 and above	3	4%
Total	80	100%

Source: Research Data (2015)

With regard to age of the respondents, 41 respondents, representing 51% of the population were between the ages of 18-29. 35%, which represent 28 respondents were within the ages of 30-40, 8 respondents were within the ages of 41-50 while 4% of the population were within the ages of 51 and above. With about 86% of the respondents within the age range of 18-40 years, it shows that the bulk of the work force is still young and energetic. Therefore the most members of the work force are within the productive age. This encourages effective performance.

Table 3.3- Distribution of Respondents by level of education

level of education	Number	Percent
Can't read and write	8	10%
Grades 1-4	15	19%
Grades 5-8	30	37.5%
Grades 10 complete	12	15%
TVET level of 10+1 &10+2	7	8.75%
diploma	4	5%
BA/BSC & above	4	5%
Total	80	100%

Source: Research Data (2015)

When we see the educational level of the respondents, it is clearly seen from the table that most are within the grade level of 5-8 (37.5%). This is followed by those who completed grade 1-4 (19%) and grade 10 completed (15%). The table also shows that 10% and 8.75% of the respondents are can't read and write and those reach TVET level of 10+1 &10+2 respectively. It is only 5% that has a college diploma and there is 5% respondents who has a degree and above. As a result it would be possible to conclude that they can respond to this study by providing the relevant data to the expectation of the investigator.

Table 3.4- Distribution of Respondents by Job Experience

Experience	Number	Percent
Less than 1 years	14	17.5%
1-5 years	46	57.5%
6-8 years	12	15%
Greater than 8 years	8	10%
Total	80	100%

Source: Research Data (2015)

Concerning work experience this deals with the longevity of staff in the organizations. The table above shows that Less than 1 years 14 respondents 17.5% representing and 46 respondents representing 56% fall within 1-5 years and also 12 respondents representing 15% fall within 6-8 years. This shows that most of the staff have been with the Companies consistently and are more likely to know about the company(s) performance.

Table 3.5- Distribution of Respondents by Marital status

Marital status	Number	Percent
Married	45	56%
Single	32	40%
Divorced	3	4%
Widowed	0	0
Total	80	100

Source: Research Data (2015)

With regards to marital status, 56% of the respondents are married, 32 % are single and 3 % are Divorced. Hence, the study covers women from different age and marital status groups.

3.3. Small scale Enterprise Ownership of Managing Director

55 respondents representing 69% affirm that the managing director not owns the companies. See Table 3.6. And 31% affirm that the managing director owns the enterprise this indicates that companies are managed by the owners. There the owner is expected to do his best to ensure high organizational performance.

Table 3.6. Nature of business ownership

Option	Number of respondent	percent
Yes	25	31%
No	55	69%

Source: Research Data (2015)

3.3.1. The Relationship between heads and subordinates with in the Enterprise

Team work between heads and subordinates is very important in any business; especially in the small scale enterprise. The level of relationship between the heads and subordinates in this study shows that 25% of the subordinates agree that they have very good relationships with their superiors. 62.5% of the workers believed that their level of relationship is good, while none of they agree to worst relationship. See Table 3.7. Good cordiality promotes effectiveness and readiness of workers to take up responsibilities at work.

Table 3. 7. level of relation between heads and subordinates

Option	Number	percent
Very good	20	25%
Good	50	62.5%
Indiffernce	10	12.5%
worst	0	0

Source: Research Data (2015)

3.3.2. Working environment within Enterprise

The workplace environment impacts employee morale, productivity and engagement - both positively and negatively. The work place environment in a majority of industry is unsafe and unhealthy. These includes poorly designed workstations, unsuitable furniture, lack of ventilation, inappropriate lighting, excessive noise, insufficient safety measures in fire emergencies and lack of personal protective equipment. People working in such environment are prone to occupational disease and it impacts on employee's performance. In small enterprise working environment is main concerned areas for the enterprise performance (Gerhard P. J 2002). so the summary of the study area are stated below.

As shown in the table 3.8 , 43.75% of the workers are of the opinion that their working environment is suitable. 20% of the sampled population believed that their working environment is unsuitable while 18.75% and 18.75% are of the opinion that the working environment is strongly suitable and Strongly unsuitable respectively. See Table 3.8.

Table 3.8. suitability of working environment for workers

Option	Number	percent
Strongly suitable	15	18.75%
Suitable	35	43.75%
Unsuitable	16	20%
Strongly unsuitable	15	18.75%

Source: Research Data (2015)

3.3.3. Job training in the organization

23 out of the 80 respondents representing 29% agree that they have training for the job they are currently doing, while 57 respondents (71%) agree that they do not have training on the job.

Table 3.9 a. Existence of training facilities

option	number	Percent
Yes	23	29%
No	57	71%

Source: Research Data (2015)

If yes, specify the type of training.

67 respondents out of the 88 respondents who were of the opinion that they receive on the job training said that their training was on machine operation, while 16% representing sample the population said the training they received was on tool handling. See Table 3.9b.

Table 3.9 b. Types of training received

options	Number	percent
Machine operations	67	84%
Tools handling	13	16%
Others	0	0

Source: Research Data (2015)

3.3.4. leadership style within the organization

In this sub-section, the researcher was interested in establishing the opinions of the respondents where strongly disagree and disagree were combined together to mean disagree and this represented autocratic leadership style. On the other hand, neither agree nor disagree would mean that a leader is of a laissez-faire style while agree and strongly agree were combined together to mean agree which meant that a leader is democratic in leadership style. To this effect, the researcher asked the respondents to give their opinions on the questions whether their head involve them in the decision making of the enterprise.

Table 3.10. leadership style in the enterprise

options	Frequency Percentage	Number					total
		1	2	3	4	5	
I participate in decision making in meetings organized by the enterprise	Frequency	40	30	5	5	-	80
	Percentage	50	37.5	6.25	6.25	-	100.0
My Head consults me whenever he/she wants to pass final resolutions in the enterprise	Frequency	35	40	3	2	-	80
	Percentage	43.75	50	3.75	2.5	-	100.0
My Head encourages me to demonstrate innovativeness and creativity during the decision making process of the enterprise	Frequency	45	23	7	5	-	80
	Percentage	56.25	28.75	8.75	6.25	-	100.0
My Head encourages co-operation among the staff of the enterprise	Frequency	42	28	5	5	-	80
	Percentage	52.5	35	6.25	6.25	-	100.0
My Head is uncomfortable with the decisions I make in the staff meetings.	Frequency	5	6	9	20	40	80
	Percentage	6.25	7.5	11.25	25	50	100.0

Source: Research Data (2015)

According to Table 3.10, an overwhelming majority (40 or 50%) of the respondents strongly agree that they participate in decision making in meetings organized by the enterprise while 5 (6.25%) respondents neither agreed nor disagreed in their opinions. This left 5 (6.25%) respondents disagreeing on the question that they participate in decision making in meetings organized by the enterprise. This means that an over whelming majority (40 or 50%) of the respondents participate in decision making in meetings organized by the enterprise. This indicates that democratic leadership style is highly practiced by enterprise head in study area. This has helped head enterprise to needed to enhance employee's performance.

The researcher further examined the opinions of the respondents on whether they are often consulted by leader of the enterprise on issues that the leader what to make decision. Results in Table 3.10. indicate that majority (35 or 43.75%) of the respondents' opinions were in strongly agree that they are consulted whenever their leader want to pass final resolutions in the enterprise decisions while 40 (50%) of the respondents' opinions were in agreement with the view that

they are consulted by leader in passing final resolutions in decisions. This left 3 (3.75%) respondents neither agreeing nor disagreeing in their opinions. This clearly portrays that the majority (40 or 50%) of the enterprise employees in the study area are consulted by their leader whenever they pass final resolutions in decisions. This indicates that most leader in study area practice democratic leadership style, where leader first consult employees before passing up the final resolutions in meetings. This motivates employees to perform to the best of their abilities in order to achieve the goals they themselves resolved in meetings. However, there were some leaders who practiced autocratic style of leadership. This was indicated by 2.5% of the respondents who disagreed that 2, they are consulted in meetings before passing the final resolutions. This is because there are certain issues leader has to pass without consulting employees.

The researcher went ahead to explore the respondents' opinions on whether their leader encourage them to demonstrate innovativeness and creativity or not during the decision making process of the enterprise. Results in table 3.10. indicate that 45 (56.25%) respondents' opinions were in strongly agree that their leader encourage them to demonstrate innovativeness and creativity during decision making process of the enterprise while 7 (8.75%) respondents indicated that they neither agreed nor disagreed with the asked question. However, 5 (6.25%) respondents' opinions were in disagreement with the view that their leaders encourage them to demonstrate innovativeness and creativity during decision making process of the enterprise. This clearly shows that the majority (45 or 56.25%) of the enterprise employees in study are encouraged by their leader to be creative and innovative during decision making process in the enterprise. This type of leader demonstrate democratic leadership style because they have it in mind that creative and innovative employees bring new ideas that are needed to achieve enterprise goals and objectives.

The researcher was also interested in finding out whether leader encourages cooperation or not among the employees during decision making process of the enterprise. The results in Table 3.10, indicate that the majority (42 or 52.5%) of the respondents opinions were in strongly agree with the view that their leader encourage cooperation among the employees during the decision making process of the enterprise while 5 (6.25%) respondents' opinions were in disagreement

with the question that their leader encourage cooperation during staff meetings. This left 5 (6.25%) respondents neither agreeing nor disagreeing in their opinions. This clearly indicates that most (42 or 52.5%) of the enterprise in study area are encouraged by their leader to have cooperation during the decision making process of the enterprise. Such enterprises that encourage cooperation among employees are democratic in nature. They know very well that employees cannot perform to their expectation unless they are in co-operated in enterprise aspects like decision making process.

The researcher further established whether leaders were comfortable or not with the decisions employees make within the enterprise. The opinions of the respondents were given and results presented in Table 10.3, that indicated that the majority (49 or 61.25%) of the respondents' opinions disagreed on the issue that leader are uncomfortable with the decisions employees make in the enterprise while 20 (25%) respondents neither agreed nor disagreed in their opinions. However, 6 (7.5%) respondents' opinions were in agreement that their leader was uncomfortable with the decisions they pass in enterprise. This shows that majority (61.25%) of employees' views in study areas make leader comfortable. Since majority of small scale enterprise leader are comfortable to views of employees in enterprise, it is an indication that small scale enterprise in the study area practice democratic leadership style that allows exchange of views and ideas without any one feeling uncomfortable with other people's views. This comfort ability in views of one another, leads to good performance among the employees.

3.3.5. Motivation in the Organization

Lack of proper recognition of staff input prompt workers to always look for jobs in other companies, where their contributions and skills will be recognized and properly remunerated. These results in high staff drain in this industries. In this section the researcher needs to show that the motivational level of the employees in the study areas.

Table 3.11. Level of motivation among staff in the enterprise

options	Frequency Percentage	Number					
		1	2	3	4	5	total
I feel appreciated by my leader for what I contribute to the organization	Frequency	30	35	10	5	-	80
	Percentage	37.5	43.75	12.5	6.25	-	100
I receive encouragement and affirmation from those above me in the organization	Frequency	32	38	6	4	-	80
	Percentage	40	47.5	7.5	5	-	100
I am respected by those above me in the organization	Frequency	33	36	6	5	-	80
	Percentage	41.25	45	7.5	6.25	-	100
In this organization, a person's work is valued more than their title	Frequency	34	36	5	5	-	80
	Percentage	42.5	45	6.25	6.25	-	100

Source: Research Data (2015)

According to the table, the majority 35(43.75%) of the respondents agree that they feel appreciated by my leader for what I contribute to the organization while 30(37.5%) of respondents strongly agree. This left 10(12.5%) respondents neither agree or disagree in their opinion. This shows that they motivated to do more to enhance organizational performance of the enterprise and also it shows that the leader positive attitude towards the employees. This is the feature of democratic/transformational types of leader.

The researcher further examined the opinions of the respondents on whether they receive encouragement and affirmation from those *above* me in the organization. The results in the table 8, indicates that majority 38(47.5%) of the respondents agree while 32(40%) of the respondents opinions were strongly agree with the view that receive encouragement and affirmation from those *above* me in the organization others 6(7.5%) neither agree or disagree. so this all leads to initiate the employees to achieve organizational objective by exerting full efforts for the enterprise. The researcher further looks whether they respect by those above them in the enterprise. So in the table 3.11, indicated that 36(45%) strongly agree that they respected by those above them in the organization. Others 33(41.25%) and 6(7.5%) agree and neither agree or disagree respectively.

The shows that there is good working environment and leadership with in the enterprise this enhance organizational performance.

Lastly the researcher examine a person work is valued more than their work title in the organization. Thus the table 3.11, shows the majority 36(45%) strongly agree and 34(42.5%) agree that there work is valued more than there work title this motivate them to achive individual and organizational objectives. others 5(6.25%) and 5(6.25%) agree and neither agree or disagree respectively.

3.3.6. Factors that enhance organizational performance

13 of the respondents representing 16% agreed that recruitment of well educated experienced managers will be the best option, 10 respondents representing 12.5% agree that acquisition of art technology is the best option, 36 respondents representing 45% believe that participative leadership and proper motivation of staff is the best option, 5 respondents or 6% agreed that research and development is the best option while 16 respondents representing 20%, choose free flow of information and personal recognitions will enhance organizational performance. See table 3.12.

Table 3.12. How to enhance organizational performance

Option	number	percent
Recruitment of well educated / experienced Mangers and leaders	13	16%
Acquisition of technology	10	12.5%
Participative Leadership and proper Motivation of staff	36	45%
Research and development	5	6%
Free Flow of information and personal recognition	16	20%

Source: Research Data (2015)

3.3.7. Factors counter high organizational performance

12 respondents representing 15% agreed that lack of good equipment is a factor against high performance. 6 respondents representing 7.5% choose insufficient staff and fund as the factors

responsible for low performance.42 respondents, which represent 52.5% of the respondents agreed with autocracy and bad leadership, while 16 respondents representing 20% picked lack of attention to the staff opinion and welfare as factor acting against high organizational performance. See Table 3.13.

Table 3.13. factors affecting organizational performance

option	Number	percent
lack of good equipment	12	15%
insufficient staff and fund	6	7.5%
autocracy and bad leadership	42	52.5%
lack of attention to the staff opinion and welfare	16	20%
Others	4	5%

Source: Research Data (2015)

Here to minimize the above problem that counter high organizational performance, according to data collected from interview, the MSEs office proved various support to enhance the performance of the SSEs with co-ordination of TVETs and financial institution which includes Entrepreneurship, machine maintenance and customer service training from TVETs and financial supports from omo micro finance of the town. Entrepreneurship training enables individuals create to own businesses rather than seeking employment in any organization. To strengthen such a culture, TVETs are providing entrepreneurship training to the youth. TVETs as producers of different technicians are expected to support MSEs by providing them different machines created/copied within the college /institution and help in maintaining machines that encounter problems. As the interview results show MSEs-to perform the recruitment and selection of Entrepreneurs in MSEs; TVETs -to provide the necessary trainings to the selected Entrepreneurs; micro finances- to give financial supports this all supports increase the performance of the enterprise

At the same time according to the head of MSEs office of the town for the small enterprise there were difference kind of capacity buliding activites are provided but to improve leadership ability of enterprise are not focused due to lack of professionals in the TVETs institution. Here SSEs all

over the world play fundamental roles in the growth and development of an economy. The effectiveness and efficiency in performing these roles depend largely on sound management practices which are effective leadership so more attention for leadership capacity buliding are needed with in the SSEs of the town in order to achive stated objective of the enterprise.

CHAPTER FOUR

4. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

4.1. Summary of Findings

This paper contributed to the understanding of the link between leadership styles and organizational performance. It also gives insight to the various styles of leadership that could be adapted to suit different situations in the work-place, in the bid to making a more competitive and performance oriented organization. The findings revealed that appropriate leadership modes are of utmost importance in stimulating employee work-related attitudes and behaviors in order to enhance organizational performance. These is clearly shown in the table 3.10, of discussion and analysis part of the study which is 40 or 50% from sample shows that participative leadership and proper motivation of the staff important to enhance organization performance. Hence, the right leadership style determines the extent to which a manager constantly and progressively leads and directs subordinates towards the achievement of organizational goals.

Specifically, the findings showed that democratic leadership style and less of autocratic leadership approach were the dominant styles adopted in the running of the enterprise in the study areas. The democratic leadership approach were more effective in achiving higher level performnce of the enterprise. so one of the factor to higher level of performnce of the enterprise is owners leadership ability and willingness to delegate responsibilty and to manage the activity of the others which is the democratic kind of leadership style. In essence, According to Fiedler (1998) good leadership styles enhances employee morale and has positive impact on the growth of organizations.

Another salient finding in the study is that the support that provided by the micro and small scale enterprise office and TVETs institution are less in the areas of leadership capacity building in this compititive and dynamic world. Here Ethiopian government has the major development plans of Growth and Transformation plan (GTP). The common and overarching objective of these development plans has been to ensure broad based economic growth. This is so because broad based economic growth is the main route to poverty reduction through employment generation. Ethiopia has prioritized on MSE development so the government needs to consider leadership areas of the enterprise.

4.2. CONCLUSION

The study explored the evaluation of leadership on organizational performance in small scale enterprise. The uniqueness of this study lies in its focusing on organizational performance and exemplifying leadership style as an important predictor of organizational performance. Based on the finding of this study, it was concluded that leadership style enhance the performance of the organization. Therefor Organizational success in achieving goals and objectives depends on the extent to which management has adopted for use the appropriate leadership styles. This is because each manager's style of leadership has an important bearing on how effectively the organization achieves its desired goals and objectives.

In other case useful and realiable economic foundation of a nation depends on its ability to own and manage basic development industries. the major force in ethiopian economy today is the enterperneur. small scale business provides the logical starting point for big business and it is also small business. which primarily carried the entrepreneurial thrust. Therefor all stakeholders, the government, TEVT institutions, and small enterprise, needs to have very concern the leadership style of the enterprise in the study areas.

Also good motivation is critical for achieving organizational objectives. Therefore recognizing workers needs is an essential step to planning and motivational efforts. Hence, every action taken by a leader stimulates a reaction in the employees. Therefore, attainment of the objectives of small-scale industries in study area would be borne out of the fact that leadership recognizes the needs of the workers, employ appropriate motivational tool such as promotion of staff based on merit and skills, provide suitable working environment and provide an appropriate leadership style that will encourage free flow of information among employer, superior officers and other employees.

4.3. RECOMMENDATIONS

Based on the findings of the study, the necessary recommendations are forwarded to existing and potential entrepreneurs, to MSEs, and TVET Institutions.

❖ To existing in SSEs:

firstly, in order to achieve stated objective of SSEs, the best way is to engage leaders who can cause a paradigm shift in the old ways to modern approach. Thus, leaders should pay attention to inspiring, motivating, coaching, mentoring, learning and building the capacities of their followers. secondly, Willingness and ability to share power and control according to people's knowledge and skills is also of necessity if there will be a bright future for leaders in small scale enterprises. lastly, SSEs should also practice a more active and effective communication net flow in such a way that employees are constantly carried along and briefed in advance of impending changes which may affect their relationship with management and the discharge of their onerous responsibilities for the enhancement of corporate performance.

❖ To MSEs heads:

The MSEs heads needs to give attention to the leadership style of the enterprise and look at there performance measurment in according to the leadership ability of the leader and take improvement if any problem in area of leadership. Also MSEs office is not only needs to focus in auditing practice of the enterprise because the enterpise level of repayment of the loan is not the only factor that shown the success of the enterprise.

❖ To TVET educators:

Even though technical skills trainings are great importance it should be supplemented with leadership trainings to improve the performance of the enterprise. Hence TVET institutions/colleges should provide both technical and leadership trainings to SSEs so that these entrepreneurs can with stand competitions, develop entrepreneurial sprits; improve managerial skill in such a competitive world.

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PART II: MAIN QUESTION

6. Is the managing director the owner of the company?

Yes

No

7. How will you rate the managing director's involvement in day-today running of the business? Rank the level of involvement using a scale of:

Strongly involved involved

not strongly involved littely involved

8. Do all sectional heads report to the managing Director?

Yes No

9. How will rate the culture of working together in teams between heads and suordinates to maintain positive working environment. Rank using a scale of 1 – 4

very good indifference

good worst

10. Is the working environment Conducive for you? Rank the level of conduciveness using a scale of :

Strongly suitable Unsuitable

Suitable Strongly unsuitable

11. Are you satisfied with your Present Salary level? Rank your level of satisfaction using a scale of :

very satisfied Indifference

somewhat satisfied very dissatisfied

12. Were you recently promoted?

Yes No

13. If your answer is" yes " What are the creitria to be promoted decides who is to be promoted? Rank using a scale of :

Year of Service

Input to the Company

Favoritism

Managing Director's Discretion Other:

14. Do you receive job training in the organization?

Yes No

If yes, specify the kind of training you received.....

15. Do managers delegate duties to subordinates?

Yes No

16. If Yes, is responsibilities backed up by adequate authority?

Yes No

17. How can you describe the performance of the company so far?

Rank the level of performance using a scale of:

Outstanding

Average

Poor

18. What do you think may be responsible for this level of performance indicated in question 17?

.....

19. From the experience with the company, how do you describe the leadership style in regards to the following features? rank using a scale of 1 – 5.

1	2	3	4	5
Strongly agree	agree	Nutral	Disagree	Strongly Disagree

Options	1	2	3	4	5
I participate in decision making in meetings organized by the enterprise					
My Head consults me whenever he/she wants to pass final resolutions in the enterprise					
My Head encourages me to demonstrate innovativeness and creativity during the decision making process of the enterprise					
My Head encourages co-operation among the staff of the enterprise					
My Head is uncomfortable with the decisions I make in the staff meetings.					

20. Do you think workers are motivated in response to their efforts and contributions?

If yes, rank the level of motivation using a scale of 1 – 5

1	2	3	4	5
Strongly agree	agree	Nutral	Disagree	Strongly Disagree

option	1	2	3	4	5
I feel appreciated by my supervisor for what I contribute to the organization					
I receive encouragement and affirmation from those <i>above</i> me in the organization					
I am respected by those <i>above</i> me in the organization					
In this organization, a person's <i>work</i> is valued more than their <i>title</i>					

21. Are there any form(s) of performance measurement existing in your Organization?

Yes No

22. If yes, give examples

.....

23. What factor(s) will enhance Organizational performance in your company?

Rank the following in order of importance (1 – 5)

- Recruitment of well educated / experienced Mangers and leaders
- Acquisition of technology
- Participative Leadership and proper Motivation of staff
- Research and development
- Free Flow of information and personal recognition

24. What factor(s) could counter high organizational performance?

- Lack of good equipment
- Insufficient Staff and fund
- Autocracy and bad leadership
- Lack of attention to staff opinion and welfare
- Others

APPENDIX B
ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF PUBLIC ADMINISTRATION AND DEVELOPMENT
MANAGEMENT

Interview with micro enterprise office heads:

1. what kind of support that provides for small scale enterprise of the town?
2. Is there any kind of support provides for improving the leadership ability of small enterprise?
3. How do you measure there performance of small enterprise with relation to leadership?
4. what kind of problem they face and how do you support them inorder to solve there problem?

ክፍል ሁለት፡ ዋና ጥያቄ

6. ማኔጂንግ ዳይሬክተሩ የኩባንያው ባለቤት ነውን?

አዎ አይደለም

7. የንግዱን የእለት እለት ከማከናወን አንጻር የማኔጂንግ ዳይሬክተሩ ሚና እንዴት ይመለከቱታል።

በጣም ይሳተፋል በጣም አይሳተፍም ይሳተፋል

በጥቂቱ ይሳተፋል

8. ሁሉም የክፍል ኃላፊዎች ማኔጂንግ ዳይሬክተሩ ይደግፋታል?

አዎ አይደለም

9. በኃላፊዎች እና በተለያዩ የሥራ ክፍሎች አስተባባሪዎች መካከል ያለው ግንኙነት መልካም የሥራ ፀባይን ከመፍታት (በቡድን ከመሥራት አኳያ) ምን ይመስላል?

በጣም ጥሩ ጥሩ ምንም አይልም ጥሩ አይደለም

10. የሥራ አካባቢ ይመቻታል? የምቻት መጠኑን በመለኪያ አሳዩ

በጣም ይመቻታል ይመቻታል አይመቻታም በጣም

አይመቻታም

11. አሁን በሚከፈልህ ደምወዝ ደስተኛ ነህ የእርካታ መጠንህን ደረጃ በመስጠት ግለፅ

በጣም ረክቻለሁ ምንም አይልም

ረክቻለሁ በጣም አረካሁም

12. በቅርቡ የሥራ ሂደት አግኝተህ ነበር

አግኝቻለሁ አላገኘሁም

13. መልስ አዎ ከሆነ የሥራ እድገት ለማግኘት ምንድን ነው? መስፈርቱን ደረጃ በመስጠት ግለፅ

የሥራ ልምድ ለኩባንያው ግብአት በማቅረብ

በወገንተኝነት

ለማኔጅንግ ዳይሬክተሩ በመቅረብ ሌሎች

14. በድርጅቱ የሥራ ስልጠና አግኝተዋል

አዎ አላገኘሁም

መልስዎ አዎ ከሆነ ያገኙትን ስልጠና በዝርዝር ይግለጹ

15. ኃላፊዎች ስልጠናቸውን ለበታቸው ይወክላሉ

አዎ አይወክሉም

16. አዎ ከሆነ ኃላፊነቱ በብቁ ባለስልጣን ይደገፋል

አዎ አይደለም

17. የኩባንያውን አፈፃፀም እንዴት ይመለከቱታል

ደረጃውን በዝርዝር ግለጹ

ጥሩ ነው መካከለኛ ነው ደካማ ነው

18. ለዚህ አይነት የአፈፃፀም ደረጃ ያበቃው ምንድን ነው ትላለህ በጥያቄ ቁ 17 ለተገለፀው

19. በኩባንያ ውስጥ እስከ አሁን ባየህው መሠረት አመራሩን ከታች በተቀመጡት መገለጫዎች እንዴት ታየዋለህ. ከ1-5 ደረጃ ስጠው

	1	2	3	4	5
	በፍፁም እስማማለሁ	እስማማለሁ	መካከለኛ ነው	አልስማማም	በፍፁም አልስማም
አማራጭ	1	2	3	4	5
መስሪያ ቤቱ በሚያዘጋጀው የውይይት መድረኮች ላይ በውሳኔዎች እሳተፋለው					
አለቃዬ የመስሪያ ቤቱን የመጨረሻ ውሳኔ ሲወስን ያማቅክረኛል					
አለቃዬ ውሳኔዎችን ላይ የማመጣቸውን አዳዲስ ሐሳቦች ያበረታታኛል					
አለቃዬ ተባብሮ በመስራት ያምናል ያበረታታል					

20.ሠራተኞች ለሚያደርጉት አስተዋጻዎ ማበረታቻ ይሰጣቸዋል? መልስህ አዎ ከሆነ ከ1-5 ደረጃ ስጠው

	1	2	3	4	5
	በፍፁም እስማማለሁ	እስማማለሁ	መካከለኛ ነው	አልስማማም	በፍፁም አልስማም
<hr/>					
አማራጭ	1	2	3	4	5
ለድርጅቱ ባደረኩት አስተዋጻኦ በላይ ኃላፊነቱ እንደተደነኩ ይሰማኛል።					
በድርጅቱ ውስጥ ከበላዮቼ ማበረታቻ እና ሽልማት አግኝቻለሁ					
በድርጅቱ ውስጥ ከእኔ ባሉት ኃላፊነት ይቀበላለሁ					
በዚህ ድርጅት ውስጥ የአንድ ግለሰብ ሥራው ከኃላፊነቱ በላይ ይከበራል					

21.በድርጅታችን ውስጥ የአፈፃፀም መለኪያዎች አሉ

አዎ አይደለም

22.አዎ ከሆነ ምሳሌዎችን ስጥ

23.የድርጅቱን አፈፃፀም ለማሳደግ ምን አይነት መንገዶችን መጠቀም ይቻላል

ከሚከተሉት አንዱን ምረጥ (ከ1-5)

የተማሩ ሰዎችን መቅጠር / ልምድ ያላቸው ሥራ አስኪያጆችን እና

አመራሮችን

ቴክኖሎጂን መጠቀም

አሳታፊ የሆነ አመራር እና ትክክለኛ የሠራተኛ መነቃቃት

ጥናት እና ምርምር

የነፃ የመረጃ ዝውውር እና የግለሰብ እውቅና

24.ለከፍተኛ የድርጅታዊ አፈፃፀም አስተዋፃኝ የሚያደርጉ ምን ምን ናቸው

የመሳሪያዎች እጥረት

በቂ ያልሆነ ሠራተኛ እና ገንዘብ

አምባገነንነት እና መልካም ያልሆነ አስተዳደር

ለሠራተኞች አስተያየት እና ደህነት ትኩረት አለመስጠት

ሌሎች

አባሪ ለ

አዲስ አበባ ዩኒቨርሲቲ የቢዝነስ እና ኢኮኖሚክ ኮሌጅ የፕብሊክ አድሚኒስትሬሽን እና የዲቨሎፕመንት ማ ኔጅመንት ትምህርት ክፍል

ቃለ መጠየቅ ከአነስተኛና ጥቃቅን ሀላፊ ጋር፦

1. በከተማው ውስጥ ለሚገኙ አነስተኛ ኢንተርፕራይዞች ምን አይነት ድጋፍ ታደርጋላችሁ።
2. የአመራር ብቃታቸውን ለማዳበር ለአነስተኛ ኢንተርፕራይዞች ምን አይነት ድጋፍ ታደርጋላችሁ።
3. የኢንተርፕራይዞች ውጤታማነት ከአመራር ሂደታቸው ጋር በማያያዝ እንደት ትመዘናላችሁ።
4. ኢንተርፕራይዞች ምን አይነት ችግሮች አሉባቸው? ችግሮችን ለመፍታት ምን ድጋፍ ታደርጉላቸዋላችሁ።