



**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
POST GRADUATE STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION AND INFORMATION
SYSTEM**

**THE EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL
COMPETITIVENESS: IN THE CASE OF DASHEN BANK S.C.**

**BY:
MAKDA TEMAM
(ID- GSE/6850/14)**

ADVISOR: WASIHUN MOHAMMED (Ph.D.)

**SEPTEMBER, 2024
ADDIS ABABA, ETHIOPIA**

**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
POST GRADUATE STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION AND INFORMATION
SYSTEM**

**THE EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL
COMPETITIVENESS: IN THE CASE OF DASHEN BANK S.C.**

**BY:
MAKDA TEMAM
(ID- GSE/6850/14)**

**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY SCHOOL OF
COMMERCE DEPARTMENT OF BUSINESS ADMINISTRATION AND
INFORMATION SYSTEM IN PARTIAL FULFILMENT OF MASTERS OF
BUSINESS LEADERSHIP**

**ADVISOR:
WASIHUN MOHAMMED (Ph.D.)**

**SEPTEMBER, 2024
ADDIS ABABA, ETHIOPIA**

Declaration

I, **Makda Temam** the under signed, declare that this thesis entitled: “THE EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL COMPETITIVENESS: IN THE CASE OF DASHEN BANK S.C” is my original work. I have undertaken the research work independently with the guidance and support of the research advisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis has been duly acknowledged.

Declared by:

Name: Makda Temam

Signature: _____

Date _____

CERTIFICATE OF APPROVAL
SCHOOL OF POSTGRADUATE STUDIES
ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE

This is to certify that the thesis prepared by **Makda Temam**, entitled “THE EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL COMPETITIVENESS: IN THE CASE OF DASHEN BANK S.C” and submitted in partial fulfilment of the requirements for the Degree of Masters of Arts in **Business Leadership** complies with the regulations of the College and meets the accepted standards with respect to originality and quality.

Name of Candidate: Makda Temam Signature: _____ Date: _____

Name of Advisor: Wasihun Mohammed (Ph.D.) Signature: _____ Date: _____

Signature of Board of Examiner`s:

External examiner: _____ Signature: _____ Date: _____.

Internal examiner: _____ Signature: _____ Date: _____.

Dean _____ Signature: _____ Date: _____.

Table of Contents

| | |
|---|-----|
| Acknowledgement | iv |
| List of Acronyms | v |
| List of Table..... | vi |
| Abstract..... | vii |
| CHAPTER ONE..... | 1 |
| INTRODUCTION | 1 |
| 1.1 Background of the Study..... | 1 |
| 1.2 Statement of the Problem..... | 2 |
| 1.3 Objectives of the Study | 4 |
| 1.3.1 General Objective | 4 |
| 1.3.2 Specific Objectives | 4 |
| 1.4 Basic Research Questions | 4 |
| 1.5 Significance of the Study | 4 |
| 1.6 Scope of the Study | 5 |
| 1.7 Operational Definition | 5 |
| 1.8 Organization of the Paper | 5 |
| CHAPTER TWO | 6 |
| REVIEW OF RELATED LITERATURE..... | 6 |
| 2.1 Theoretical Review | 6 |
| 2.1.1 Definitions and Concepts..... | 6 |
| 2.1.1.1 Concepts of Strategic Leadership..... | 6 |
| 2.1.1.2 Concepts of organizational competitiveness | 6 |
| 2.1.2 The Total Quality Management Theory | 7 |
| 2.1.3 Trait Theory | 8 |
| 2.1.4 Strategic Leadership..... | 8 |
| 2.1.4.1 Human Capital Development | 8 |
| 2.1.4.2 Organizational Leadership Style | 9 |
| 2.1.5 Strategic Leadership and Organizational Competitiveness | 10 |
| 2.2 Empirical Review..... | 10 |
| 2.3 Conceptual Framework..... | 13 |

| | |
|---|----|
| CHAPTER THREE | 14 |
| RESEARCH DESIGN AND METHODS..... | 14 |
| 3.1 Research Design and Approach | 14 |
| 3.2 Type and Source of Data..... | 14 |
| 3.3 Population and Sample Design | 15 |
| 3.3.1 Target Population..... | 15 |
| 3.3.2 Sampling and Sample Size Determination..... | 15 |
| 3.3.3 Sampling Technique | 16 |
| 3.4 Data Collection Tools | 16 |
| 3.5 Methods of Data Processing and Analysis..... | 16 |
| 3.6 Validity and Reliability..... | 16 |
| 3.6.1 Validity..... | 16 |
| 3.6.2 Reliability..... | 17 |
| 3.7 Ethical Consideration..... | 17 |
| CHAPTER FOUR | 18 |
| RESULT AND DISCUSSION..... | 18 |
| 4.1 Result | 18 |
| 4.1.1 Reliability test | 18 |
| 4.1.2 Background Information of the Respondents | 19 |
| 4.1.3 Analysis of Human Capital Development | 21 |
| 4.1.4 Analysis of Organizational Leadership Style | 24 |
| 4.1.5 Analysis of Organizational Competitiveness..... | 27 |
| 4.1.6 Correlation Analysis | 29 |
| 4.1.7 Regression Assumption Test..... | 31 |
| 4.1.8 Regression Analysis..... | 34 |
| 4.2 Discussion | 38 |
| 4.2.1 Discussion on Human Capital Development | 38 |
| 4.2.2 Discussion on Organizational Leadership Style | 40 |
| 4.2.3 Discussion on Organizational Competitiveness..... | 42 |
| 4.2.4 Discussion on Correlation and Regression Analysis | 44 |
| CHAPTER FIVE | 45 |
| SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION..... | 45 |
| 5.1 Summary of Findings..... | 45 |

| | |
|---------------------------|----|
| 5.2 Conclusions | 47 |
| 5.3 Recommendation | 48 |
| References: | 49 |
| Appendix I: | 51 |
| Questionnaire | 51 |
| Interview Checklist | 54 |

Acknowledgement

To begin, I express my gratitude to God for granting me the strength to initiate and conclude this study. I deeply appreciate the comprehensive support and understanding offered by my family. Additionally, I recognize the invaluable assistance and feedback provided by my advisor, Wasihun Mohammed (Ph.D.), which was instrumental in completing this paper. A special thank you is extended to the respondents at Dashen Bank. I am thankful to everyone involved.

List of Acronyms

| | |
|-------------|--|
| HRD | Human Resources Development |
| HRM | Human Resources Management |
| PI | Programmed Instructions |
| S.C. | Share Company |
| SPSS | Statistical Package for Social Science |
| TQM | Total Quality Management |

List of Table

| | |
|--|----|
| Table 4.1: Reliability Statistics | 19 |
| Table 4.2: Case Processing Summary | 19 |
| Table 4.3: Gender of the Respondents | 19 |
| Table 4.4: Age of the Respondents | 20 |
| Table 4.5: Educational level of the Respondents | 20 |
| Table 4.6: Work experience of the Respondents in years | 21 |
| Table 4.7: Analysis of Human Capital Development | 21 |
| Table 4.8: Analysis of Organizational Leadership Style | 24 |
| Table 4.9: Analysis of Organizational Competitiveness | 27 |
| Table 4.10: Correlations..... | 30 |
| Table 4.11: Autocorrelation Test | 31 |
| Table 4.12: Model Summary..... | 34 |
| Table 4.13: ANOVA ^a | 36 |
| Table 4.14: Coefficients ^a | 36 |
| Table 4.15: Collinearity Diagnostics ^a | 38 |

Abstract

The general objective of this study was to assess the effect of strategic leadership on the organizational competitiveness in the case of Dashen Bank S.C. The gap existed was the specific mechanisms and pathways through which strategic leadership influences performance are not fully explored in other studies. Also it does not examine the specific strategic leadership practices that can enhance a firm's competitiveness. So the researcher initiated to conduct the study. This study employed both descriptive and explanatory research design. Researcher used quantitative research approach in order to analyses data. This study utilizes primary data sources. The target population of this study was leaders, managers, and employees. To calculate the sample size from the given population, researcher used Cochran formula. Simple random sampling is the simplest and most straightforward probability sampling method. It ensures that the sample is representative of the overall population. Dashen Bank's focus on effectively managing human capital (employees) and social capital (relationships, networks, reputation) is perceived as a key driver of its competitiveness in the banking industry. This suggests the bank's investments in talent management, employee development, organizational culture, stakeholder engagement, and brand building contribute to its competitive advantage. The survey results present a mixed picture on Dashen Bank's operational efficiency, pricing/cost management, and product/service quality compared to competitors. This suggests the bank needs to improve in these areas to strengthen its competitive position. Dashen Bank should continue to invest in human capital and social capital management. It should maintain focus on talent management, employee development, and organizational culture initiatives to leverage the bank's human capital. Also, it should strengthen stakeholder engagement and brand building efforts to capitalize on the bank's social capital and reputation

Key words:

Human Capital, Social Capital, Strategic Leadership, Organizational Competitiveness

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic leadership involves spotlighting what effective top leaders actually do in order to produce a strategy-focused organization (Rumsey, 2013). Furthermore, strategic leaders need to be able to focus on critical resources which are most likely to make a difference in the assurance of sustained future success. This view is supported by Hitt and Ireland who recommend that strategic leadership is about gaining access to key resources such as alliances with partner firms “social capital” and the ability to build great teams “human capital” as the most important firm resources. The strategic literature review emphasized that effective strategic leadership capabilities are needed in the new competitive landscape expected for the 21st century (Hitt, 2007).

Strategic leadership practices have been identified as essential for increased competitiveness and performance since they improve the efficiency with which a company's internal resources are produced and allocated. Jensen referred to strategic leadership as the procedure by which a business establishes its objectives and develops and implements a plan to reach them (Jensen, 2023).

Success in undertaking business in the current global and well interlinked economy is anchored on effective sharing of key information. An argument by Omar and Mahmoud asserted that organizational capabilities relating to strategic leadership are keys in the competitive landscape expected in the twenty first century (Omar, 2014).

A number of researchers and academic authors have in detailed the particular skills and organizational resources that can add towards the organization’s competitiveness. Organizational resources with the likelihood of propelling a firm to competitiveness has to have four major characteristics which include: uniqueness, value addition, non-imitable, and inability to easily be substituted (Hoskisson, 2010). In today’ banking environment, strategic leadership guides organizations in attaining competitiveness and great profitability (Cherian, 2013). This is as a

result of the leaders being faced with extraordinary challenges that include the emergence of global financial crisis (McConnell, 2013).

In this study, the idea of organizational strategic leadership and its influence on competitiveness of a firm is elaborated more while considering the human capital development and organizational style of leadership. The study variables would find on the TQM theory that links an organization's performance to its ability to meet client's needs by effectively designing products and services and the trait theory that associates performance with the character attributes of an organization's leadership at Dashen Bank.

1.2 Statement of the Problem

Clegg et. al defined strategic leadership as the influence and process that facilitates and engender the performance of the top management team to achieve organization set objectives (Clegg, 2016). Strategic leadership was portrayed by Hitt, Ireland, & Hoskisson, as the process of allotting unique resources to support the organizational strategies (Hitt, 2007). This process is concerned with managerial activities of quality decisions making, information dissemination for strategic formulation and control (Barnat, 2007).

Pazireh, Akhlagh and Akbari, (2014) were conducted a study on Evaluation of the Role of Strategic Leadership in Organizational Performance suggesting that strategic leadership can have an effect on organizational performance through understanding work and environmental conditions and building interactions with employees. They align employee actions by determining strategic direction, facilitating the achievement of goals and performing work through developing core competencies, by developing human resources as a source of competitive advantage, maintaining an effective corporate culture in order to promote a competitive spirit, establishing strategic controls for creation and achieving performance optimal organization (Pazireh, 2014).

Strategic leadership practices and competition in the financial industry impact individuals' access to finance, businesses' capacity to compete and grow, the pace of economic growth, and the sector's overall stability (Syapsan, 2019).

The growing rivalry in the banking business has affected market share and firm performance (Rahmayati, 2021). Due to more transparency on competing brands, consumers are looking for higher-quality products at more affordable prices (Schiano, 2020). Hence, commercial banks, in order to prosper in the face of the industry's constant upheaval, it would be wise to look at how adopting more cutting-edge strategies from competitors might boost performance (Omweri, 2021).

Competitiveness is where firms produce their products more economically than their competitor (Barney, 2015). Competitiveness by the sugar firms refers to the ability to convert input into output. Pearce is of the opinion that sugar firm that want to have a competitive advantage over its rivals must work hard to remain low-cost leaders within the industry in which they are operating in. This definitely makes them able to charge lower prices for their products and service hence gaining market share through increased sales (Pearce, 2016).

In the 21st century, strategic leadership is viewed as one of the greatest concepts in adopting better value-based culture within business firms. Bad leadership negatively impacts an organization's overall success. For years the financial sector in the country has emerged as the vehicle for illegal undertakings and poor management resulting to the financial sector having to bear losses from huge and non-performing loans hence restrictive credit to honest individuals (Breene, 2006). According to McConnell, the high competition within the banking sector requires the institutions to develop efficient strategies which include effective strategic management processes that will seek to promote and sustain competitiveness through effective management of risks (McConnell, 2013).

From the above studies, the researcher identified the research gaps. The first gap existed was the specific mechanisms and pathways through which strategic leadership influences performance are not fully explored. Also it does not examine the specific strategic leadership practices that can enhance a firm's competitiveness. The above studies also did not consider how factors like industry dynamics, regulatory environment, or organizational culture might moderate the impact of strategic leadership on firm performance. Therefore, this study can fill the existing practical gap and theoretical gap by investigating the effect of strategic leadership on organizational competitiveness in the case of Dashen Bank S.C.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this study was to assess the effect of strategic leadership on the organizational competitiveness in the case of Dashen Bank S.C.

1.3.2 Specific Objectives

This study has the following specific objectives.

1. To explain the effect of human capital development on organizational competitiveness in the case of Dashen Bank S.C.
2. To describe the effect of organizational leadership style on organizational competitiveness in the case of Dashen Bank S.C.
3. To analyze the relationship between strategic leadership and organizational competitiveness in the case of Dashen Bank S.C.

1.4 Basic Research Questions

This study tried to answer the following basic research questions.

1. What is the effect of human capital development on organizational competitiveness in the case of Dashen Bank S.C?
2. What is the effect of organizational leadership style on organizational competitiveness in the case of Dashen Bank S.C?
3. What is the relationship between strategic leadership and organizational competitiveness in the case of Dashen Bank S.C?

1.5 Significance of the Study

This study would have great significance for commercial banks operating in Ethiopia especially for Dashen bank. The finding of the study would assist corporate leaders to anchor their leadership strategically to enhance their organizational competitiveness as to what makes a difference in the banking sector and what to do different as well. Also, this study adds to existing body of knowledge as the little empirical evidence is found especially in Ethiopian banking context.

1.6 Scope of the Study

This study is cross-sectional which studied at once. A cross-sectional study is a type of research design that involves collecting data from a sample of individuals or groups at a single point in time. Geographically, this study is restricted to Dashen Bank S.C, Head office, Lideta sub city around Goma Kuteba, Addis Ababa, Ethiopia, where the head office is located. Conceptually, this study was conducted to assess the effect of strategic leadership on the organizational competitiveness and used TQM model and theories. This study also used descriptive and explanatory research design.

1.7 Operational Definition

Human Capital: The cumulative knowledge and skills of an organization's complete workforce (Hitt, 2010).

Leadership: Leadership is the ability of a superior to influence the behavior of subordinates and persuade them to follow a particular course of action (Barnard 1938).

Strategic leadership: Strategic leadership is grounded on the capacity of a leader to influence followers to perform voluntarily towards achieving collective goals of the organization (Rowe & Nejad, 2009).

Organizational competitiveness: it is defined as existing gap between the resources of a company and the goal established by its managers (Hamel and Prahalad 1993).

1.8 Organization of the Paper

The thesis paper consists of five chapters. Chapter one deals with introduction which consists of background of the study, statement of the problem, objective of the study, research question, significance of the study, and scope of the study. Chapter two deals with related literature review. Chapter three deals with research methodology which consists of research design, population, sampling size & sample techniques, data collection methods, methods of data analysis, and validity & reliability. Chapter four deal with result and discussion. Chapter five deal with summary of findings, conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical Review

2.1.1 Definitions and Concepts

2.1.1.1 Concepts of Strategic Leadership

Kjelin defined strategic leadership as the ability of organizations to expect, envision and sustain flexibility while empowering others in order to establish a strategic opportunity and a viable future for the firm (Kjelin, 2009). Understanding strategic leadership entails the highlighting of what efficient organizational top leadership actually so as to give rise to a strategy-focused organization (Rumsey, 2013). Hitt and Ireland) argue for this view by recommending that strategic leadership entails accessing critical organizational assets that include established business relationships with an organization' partners "social capital" and developing functioning groups "human capital" as key firm resources. Efficient strategic leadership capabilities are required for organizations to survive in the current competitive business arena (Hitt, 2010).

Strategic leaders are expected to manage the firm' resource portfolio through grouping them according to capabilities, restructuring the firm for well utilization of resources and creating strategies for the firm to further take advantage of these resources so as to enhance competitiveness (Hitt, 2007).

2.1.1.2 Concepts of organizational competitiveness

The organization should be in a position to sustain its competitiveness for a reasonable time through ensuring that its competitive strategies are not easily imitable by its competitors. With the global market competition becoming increasingly tight, attaining and sustaining business competitiveness has started obtaining more attention (Omar, 2014). Several organizational strategies may be developed in response to the competitive situation. These strategies according to Chepkuyeng and Choge, includes adjusting of target market, diversification, developing new products, distribution changes and making price cuts. For the banking sector, strategic leadership is also critical in providing an enhanced business performance (Chepkuyeng, 2014).

The objective of organizational competitiveness can be enhanced financial returns from the financial viewpoint, improved capability, value protection from the value chain perspective or customer recognition from a business operation view point (Hitt, 2010).

2.1.2 The Total Quality Management Theory

This theory is applied within competitive firms in the management of service quality in an unpredictable environment (Chege, 2013). The TQM theory is categorized under the organizational management theories. The theory was developed by Edwards Deming and Joseph Juran in the early 1920's. The Total Quality Management theory argues that an organization's performance is enhanced through designing products and services fully meet the client demands through empowering employees so as to eliminate all aspects that hinder effective development of products and services (Johnson, 2012). According to Johnson TQM also promotes a firm, effectiveness by enhancing the satisfaction of its stakeholders', ensuring continuous improvement and establishing proactive leadership. Johnson and Scholes further assert that the theory holds that product or service quality is only described by their beneficiaries which includes an organization's stake holders. As a result, managers need to engage their employees in pointing out the firm's internal and external stakeholders and through establishing the criteria used by each in judging so that the firm registers success (Johnson, 2012).

Quality is viewed as a complex aspect based on perception of individuals with varied perspectives on an organization's products and services (Chege, 2013). These views are established through past experiences and product or service utilization in different contexts. Therefore, quality entails time and other relevant dimensions that enrich the complexity of subjective client assessment of product quality (Johnson, 2012). Organizational strategies relating to quality management are required to take into consideration this inherent complexity, and establish the complexity into their linked models (Johnson, 2012). A single paradigm gives a narrow perspective in capturing complexity and the multi-faceted nature of reality. The complexity in product quality management is further enhanced if there is unrelenting transformation in the external business environment as a result of intense competition and shifting customer requirements (Johnson, 2012). This theory is relevant to the study as it links quality which is an aspect that results to organizational competitiveness to human capital that is a variable in this study.

2.1.3 Trait Theory

The trait theory, which resembles great man ideas in certain ways, assumes that people are born with particular attributes that make them better suited for leadership. Trait theories often identify particular personality or behavioural characteristics that are shared by leaders (Matthews, 2020).

2.1.4 Strategic Leadership

Comprehending strategic leadership entails clearly outlining what effective management organizations undertake so as to actually produce a strategy-focused firm (Rumsey, 2013). Strategic leaders are required to intentionally target an organization's key resources that have higher likelihood of positively impacting and sustaining future organizational success. Literatures on strategy stress that efficient strategic leadership capabilities are greatly demand within the current competitive business environment (Hitt, 2010). Generally, strategic leaders are expected to undertake the management of these resources through setting them into capabilities, establishing the firm to utilize the capabilities and executing a strategy to take advantage of these resources in achieving competitiveness (Hitt, 2010). This research views and addresses two aspects that are key in strategic leadership; human capital development, and organizational style of leadership.

2.1.4.1 Human Capital Development

Hitt, Ireland and Hoskisson defined human capital as the cumulative knowledge and skills of an organization's complete workforce (Hitt, 2010). Au, Altman and Roussel, categorized human capital into three groups, namely; generic or general, organization-specific and task-specific human capitals (Au, 2015). Social capital is made up of organizational ability to establish relationships, through its human capital, both inside and outside the firm that facilitate the organization in achieving tasks and creating value for its customers and shareholders (Paul, 2002).

In today's increasingly competitive business environment, organizations keep evolving ways of ensuring their continued survival and improving organizational performance on a sustained basis. According to Irene (2009), effective HRM provides a means, through which an organization attracts, retains and adequately develops its employees for a sustained growth and increased competitiveness. The researcher also asserted that HRD is a framework for the expansion of

human capital within an organization through the development of both the organization and the individual to achieve performance improvement.

A number of HRM literatures point out to several newer approaches towards organizational staff development. Fresh and new skills and knowledge can be passed through an organization's employees by the use of new technologies and adapting to innovative training methods including PI, computer and simulated games, role playing and audio-visual tools are more efficient and therefore the same are being extensively applied within current training curriculums (Armstrong, 2010).

2.1.4.2 Organizational Leadership Style

The current intensely competitive environment in which most firms operate demand a new style of management so as to ensure their survival and enhanced competitiveness (Masungu, 2015). Nosheen Sarwat (2011), clarified that leadership styles are categorized into three; autocratic style, participative style and laissez-faire style. Under autocratic leader style, the manager arrives at a resolution and describes to his/her team on what is to be done, by who and the expectations. While in participative leadership, the managers involve the subjects in the process of decision making. On the hand, laissez fair leadership style focuses on defining the future of an organization to the subjects without necessarily defining the resolutions arrived at by a manager (Eghdamy, 2013). Similarly, Baas (2006) defined leadership style as either transformational or transactional. According to Baas, both of these styles are required for organizations to attain competitiveness hence improve their performance. Transformational leadership enhances and inspires subjects to attain great outcomes, whereas transactional leadership guide subjects in working towards developing goals through giving them rewards in exchange to their improved productivity (Bass, 2006).

Strategic leadership focuses on enhancing an organization' human capital and intellectual capabilities and it should develop a support system for the organization (Makri, & Scandura, 2010). Marki and Scandura add that strategic leadership therefore encourages the employees to innovate and assess the performance of the employees and their duties in a distinct manner that support the key organizational achievements and develop a business environment that encourages innovation and exploratory research. According to Jansen, Mary and Justin (2009),

an organization' style of leadership should focus on developing human capital that develops the required business environment within the firm and increasing organizational knowledge and the innovation of new ideas. A good style of leadership entails four aspects: personal characteristics, properties, thinking and the ability to motivate and affect the ideas upon others.

2.1.5 Strategic Leadership and Organizational Competitiveness

The abilities of a firm's leaders to efficiently inspire critical organizational transformations in business phenomena that include processes, products and/or services are important since resolutions by the leaders bear a huge impact on the performances of firms and general business successes (Guimaraes, 2010). Consequently, organizational competitiveness is the greatest crucial aspect that determines the ultimate performance recorded by a firm and strategic leadership is hugely viewed among the important aspects that enhance competitiveness of a firm over a long period of time (Cristian-Liviu, 2013). Barney and Hesterly asserted that there exist two categories of an organization' competitiveness: temporary and sustainable competitiveness (Barney, 2008).

Strategic leadership has therefore had an impact on an organization' competitiveness hence long-term performance. This is as a result of strategic leaders playing a role in stirring employees towards working efficiently through uncertain and turbulent business environments through developing a vision and pathway that enhances firms' staff resolve to evolve and innovate. Ireland and Hitt confirmed that when strategic leadership aspects are fulfilled successfully, the organization' strategic leadership activities can turn out to be a source of competitiveness (Hitt, 2010). Additionally, strategic leadership within a firm that allows for the developing of its capabilities has also the capability of sustaining its competitiveness. A number of firms have tried to attain and sustain competitiveness through taking advantage of resources and capabilities in line with the resource-based view (Omar, 2014). Most strategic leaderships perceive that investing in both human and social capital may enhance their firm' competitiveness and allow them sustain the same (Hitt, 2010).

2.2 Empirical Review

Nyamu, studied the effect of strategic leadership on the organizational competitiveness of commercial banks in Kenya. The researchers used descriptive research design and conducted a

census that includes managers operating in forty commercial banks in Kenya. The study founded three variables based on theoretical foundations namely human capital development, organizational style of Leadership and strategic intent and vision articulation. The findings of the research indicate that human capital development has the highest significance effect on organizational competitiveness followed by organization style of leadership and strategic intent and vision articulation. Further the finding indicates that strategic leadership practice influence organizational competitiveness by increasing market share, profitability and productivity. Although the finding of the study contributes to the body of knowledge specifically in the matter of the study, it is found to be only limited to commercial banks in Kenya and couldn't be generalized to other cases broad without empirical testing (Nyamu, 2017).

Monte was conducting another study related to the matter under investigation. It is titled the effect of strategic leadership on the performance of commercial banks in Kenya. Both descriptive and inferential statistics was used in this study and the study involved 42 commercial banks in Kenya out of which it targeted managers working in financial operational and strategic departments. Based on theoretical foundations, the study tested variables such as vision and mission creation, resources portfolio, strategic formulation, strategic implementation and ethical value. These variables then were empirically tested to find out their impact on performance which is measured in terms of profitability, return on investment, return on asset and customer satisfaction based on the correlation analysis the findings indicate there is a significant positive relationship between strategic leadership and performance of commercial banks in Kenya (Monte, 2017).

Similarly, Katee studied the effect of strategic leadership on the performance of commercial and financial state corporations in Kenya. The study was focused on concepts such as organizational culture, ethical practice and organizational control and their impact on financial performance of corporations in Kenya. The findings of the study indicates that there exists a significant positive relationship among strategic leadership and performance but these findings couldn't be applied to the banking sector as it was conducted on corporations in Kenya (Katee, 2013).

Geke conducted research titled strategic leadership and competitive advantage of commercial banks in Kenya. The concept of strategic leadership that the researcher elaborated was capacity

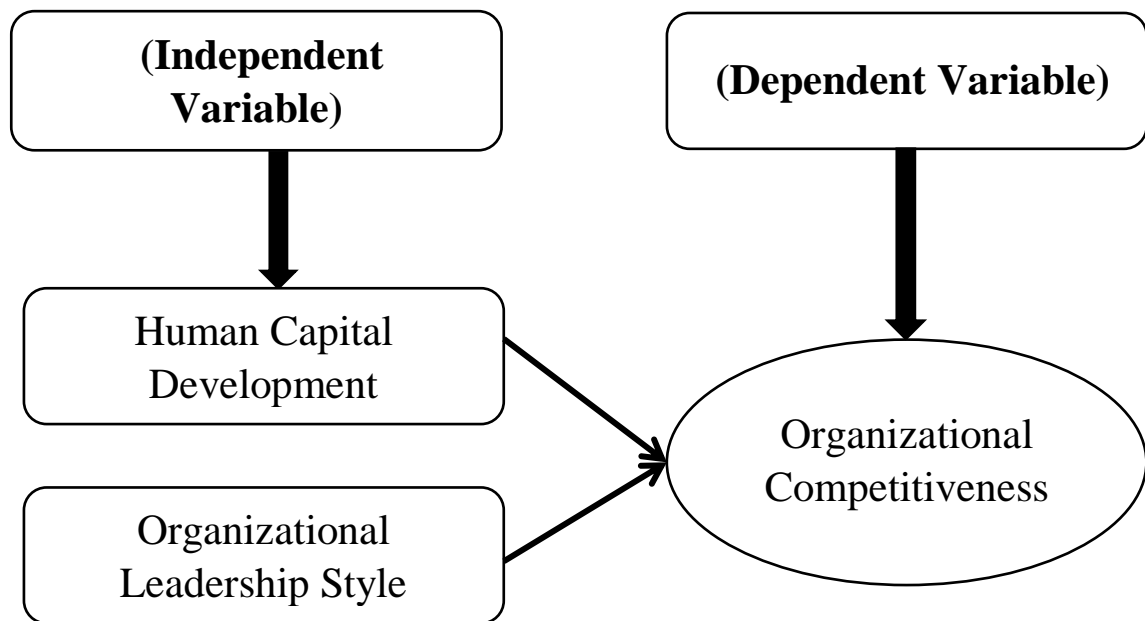
to anticipate business changes, capacity to question the status quo, the ability to interpret information, decision making capacity and ability to align to stakeholder interest. These variables were examined to determine their relationship with organizational competitiveness. Each of the variables has an influence over the dependent variable and the correlation analysis indicates that there is a positive significant relationship between strategic leadership and organizational competitiveness (Geke, 2021).

Looking further in Ethiopian context a study conducted by (Micheal, 2021) titled the effect of strategic leadership on organizational innovation in selected digital tech firms in Ethiopia can be mentioned. The aim of the study was to assess the effect of strategic leadership on organizational effectiveness. The study focused on strategic thinking, absorptive capacity and operational efficiency dimensions of strategic leadership and their impact on organizational innovation. The researcher used an explanatory research design and was able to conclude that strategic leadership have a strong and positive impact on organizational innovation. The researcher recommended that since organizational innovation is key in performance digital firms these firms are required to strategically anchor their leadership emphasizing on absorptive capacity.

Similarly, Elisabeth conducted a study title assessment of competitive strategy formulation and implementation practices of private bank in Ethiopia: in the case of United bank. The purpose of the study was to investigate strategy formulation and implementation practices of united bank on its effort to gain competitive advantage. Descriptive research design was used and data was analyzed by using statistical tools. The sampling technique she used was non probability sampling technique which targeted 90 employees working in managerial and non-managerial positions. The study indicated several internal and external factors in the environment that have a significant influence on the decision-making regarding formulation and implementation of competitive strategy. The researcher finds out that the bank was struggling due to steep competition and find out that it was using mixed strategy which include cost leadership, differentiation and focus strategies to tackle the competition race. Further the researcher recommended that the banks should be flexible in formulation and implementing the competitive strategy, further the researcher recommended that National Bank of Ethiopia attempt to regulate unfair competition among private banks and enforce the application of code of conduct and ethics in the banking industry (Elisabeth, 2021).

2.3 Conceptual Framework

Based on the literature review, the conceptual framework shows the effect of strategic leadership on the organizational competitiveness in the case of Dashen Bank S.C. Therefore, human capital development and organizational leadership style are the strategic leadership and taken as independent variable and organizational competitiveness taken as dependent variable. The relationship between independent and dependent variable are shown as follows in figure 2.1.



X_1 : Human Capital development

X_2 : Organizational Leadership style

Y : Organizational Competitiveness

Figure 2.1: The effect of strategic leadership on the organizational competitiveness

(The model developed by researcher, 2024)

CHAPTER THREE

RESEARCH DESIGN AND METHODS

3.1 Research Design and Approach

Research design is the conceptual structure within which research is conducted and it constitutes the blueprint for the collection, measurement and analysis of data. Research designs are categorized as exploratory research, descriptive research and causal research (Kothari, 2004). This study employed both descriptive and explanatory research design. As descriptive research design, it attempts to describe the status of the organizational competitiveness of Dashen Bank and explanatory research design it tried to test the effect of strategic leadership on the organizational competitiveness in the case of Dashen Bank.

There are two basic approaches to research, quantitative approach and the qualitative approach. The quantitative approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. Qualitative approach to research is concerned with subjective assessment of attitudes, opinions and behavior. Research in such a situation is a function of researcher's insights and impressions (Kothari, 2004). Therefore, researcher used quantitative research approach in order to analyses data obtained through questionnaire. The researcher used quantitative research approach to analyze data that are expressed in terms of numbers in relation to the effect of strategic leadership on the organizational competitiveness in the case of Dashen Bank.

3.2 Type and Source of Data

Data can be obtained from two fundamental sources: primary and secondary data. This study utilizes primary data sources such as self-administered questionnaires. Primary data is preferred because it is objective, offers researchers first-hand information, which enhances reliability, and provides accurate data within a specific timeframe. The primary source of data was the data obtained from the respondents about the effect of strategic leadership on the organizational competitiveness in the case of Dashen Bank.

3.3 Population and Sample Design

3.3.1 Target Population

From a statistical point of view, the term ‘population’ refers to the total of items about which information is desired. The population can be finite or infinite. The population is said to be finite if it consists of a fixed number of elements so that it is possible to enumerate it in its totality. An infinite population is that population in which it is theoretically impossible to observe all the elements. Thus, in an infinite population the number of items is infinite i.e., we cannot have any idea about the total number of items (Kothari, 2004). In this study the target population was managers and employees of Dashen bank head office. There are different department in Dashen Bank. These are corporate banking department, banking operation department, planning and business department, financial department, import and export department, digital banking department, human resource department, and marketing department. The total population of this study was 1120 leaders, managers and employees at Dashen Bank head office and selected branch.

3.3.2 Sampling and Sample Size Determination

The target population of this study was 1120 leaders, managers, and employees. To calculate the sample size from the given population, researcher used the following Cochran formula:

$$n = \frac{Z^2 p(1 - p)}{e^2}$$

Where:

n = sample size

Z = Z-score for the desired confidence level (typically 1.96 for 95% confidence level)

p = estimated proportion of the population (if unknown, use 0.5 for maximum sample size)

e = desired margin of error

From the given information:

Total population (N) = 1120

Desired confidence level = 95% (Z-score = 1.96)

Estimated proportion (p) = 0.5 (since the exact proportion is unknown)

Desired margin of error (e) = 0.0775

$$n = \frac{(1.96)^2 0.5(1 - 0.5)}{0.0775^2}$$

$$n = 160$$

3.3.3 Sampling Technique

This study used simple random sampling technique. Simple random sampling is the simplest and most straightforward probability sampling method. It ensures that the sample is representative of the overall population, as each individual has an equal likelihood of being included in the sample.

3.4 Data Collection Tools

The data collection instrument of this study was questionnaire. The researcher used this tool because it gives freedom to the respondents and they can give reliable data to the study. The researcher used interview to get detailed information about the study.

3.5 Methods of Data Processing and Analysis

The data obtained from primary sources was analysed by using simple descriptive statistical tools such as frequency, mean and percentage. Analysed data was presented in tables and all the necessary narration and interpretations was made based on the findings from the obtained data through questionnaire. The inferential statistics such correlation and regression analysis was done for the study. The data was computed using software programs SPSS. And the data was grouped into tables in data analysis and presentation.

3.6 Validity and Reliability

3.6.1 Validity

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. In other words, validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested (Kothari, 2004).

The data collection instruments for this study were checked in terms of reliability and validity concepts and principles.

3.6.2 Reliability

Reliability reflects consistency and replicate over time. Furthermore, reliability is seen as the degree to which a test is free from measurement errors, since the more measurement errors occur the less reliable the test. It is a very important factor in assessment, and is presented as an aspect contributing to validity and not opposed to validity. In quantitative research, reliability refers to the consistency, stability and repeatability of results, that is, the result of a researcher is considered reliable if consistent results have been obtained in identical situations but different circumstances (Mohajan, 2015).

Furthermore, Cronbach's alpha statistical instrument is used to ensure the inner consistency of a questionnaire. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale where alpha value is "> .9, Excellent, > .8 Good, > .7, Acceptable, > .6 Questionable, > .5 Poor, and < .5 Unacceptable" (Gliem, 2015). The Cronbach's Alpha reliability test of this study was 0.877. This is greater than 0.7 and the study was proceeds.

3.7 Ethical Consideration

The the researcher got permission to collect data from the Dashen Bank. Regarding the right to privacy of the respondents, the study maintained the confidentiality of the identity of each participant or respondents. The collected data and the result of this study utilized for academic purpose only. The researcher should not pass the finding of the study to the third party.

CHAPTER FOUR

RESULT AND DISCUSSION

4.1 Result

4.1.1 Reliability test

Cronbach's Alpha is a measure of internal consistency or reliability, and it ranges from 0 to 1. A higher value of Cronbach's Alpha suggests a higher degree of internal consistency among the items.

As shown in table 4.1, The Cronbach's Alpha value of 0.841 for the Human Capital scale indicates a high level of internal consistency reliability. A Cronbach's Alpha value above 0.7 is generally considered acceptable, and values above 0.8 are considered good. This suggests that the 5 items used to measure the Human Capital construct are closely related and consistently measure the same underlying concept.

The Cronbach's Alpha value of 0.75 for the Organizational Leadership Style scale indicates an acceptable level of internal consistency reliability. This suggests that the 4 items used to measure the Organizational Leadership Style construct are reasonably related and consistently measure the same underlying concept.

Similar to the Organizational Leadership Style scale, the Cronbach's Alpha value of 0.75 for the Organizational Competitiveness scale indicates an acceptable level of internal consistency reliability. This suggests that the 5 items used to measure the Organizational Competitiveness construct are reasonably related and consistently measure the same underlying concept.

Overall, the Reliability Statistics table shows that all three constructs (Human Capital, Organizational Leadership Style, and Organizational Competitiveness) have Cronbach's Alpha values of 0.75 or higher, indicating that the measures have acceptable to good internal consistency reliability. This means that the items within each construct are measuring the same underlying concept consistently.

Table 4.1: Reliability Statistics

| | Cronbach's Alpha | N of Items |
|---------------------------------|------------------|------------|
| Human Capital | .841 | 5 |
| Organizational Leadership Style | .75 | 4 |
| Organizational Competitiveness | .75 | 5 |

Source: (Own Survey, 2024)

Table 4.2: Case Processing Summary

| | | N | % |
|---|-----------------------|-----|-------|
| Cases | Valid | 160 | 100.0 |
| | Excluded ^a | 0 | .0 |
| | Total | 160 | 100.0 |
| a. Listwise deletion based on all variables in the procedure. | | | |

Source: (Own Survey, 2024)

Table 4.2 indicates that the analysis was conducted on the full set of 160 cases, with no cases being excluded due to missing data or other reasons. The 100.0% valid case rate suggests the data is complete and ready for further analysis.

4.1.2 Background Information of the Respondents

Table 4.3: Gender of the Respondents

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------|-----------|---------|---------------|--------------------|
| Valid | Male | 83 | 51.9 | 51.9 | 51.9 |
| | Female | 77 | 48.1 | 48.1 | 100.0 |
| | Total | 160 | 100.0 | 100.0 | |

Source: (Own Survey, 2024)

Table 4.3 shows that that out of 160 total respondents, 83 (51.9%) were male and 77 (48.1%) were female. This indicates a nearly even split between male and female respondents, with a slightly higher proportion of males.

Table 4.4: Age of the Respondents

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------|-----------|---------|---------------|--------------------|
| Valid | 21-30 | 73 | 45.6 | 45.6 | 45.6 |
| | 31-40 | 63 | 39.4 | 39.4 | 85.0 |
| | 41 and above | 24 | 15.0 | 15.0 | 100.0 |
| | Total | 160 | 100.0 | 100.0 | |

Source: (Own Survey, 2024)

Table 4.4 shows that out of 160 total respondents 73 (45.6%) were between 21-30 years old, 63 (39.4%) were between 31-40 years old, and 24 (15.0%) were 41 years old and above. The majority of respondents (45.6%) were in the 21-30 years age range, followed by 31-40 (39.4%). There is a smaller proportion (15.0%) of respondents aged 41 and above.

Table 4.5: Educational level of the Respondents

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------------|-----------|---------|---------------|--------------------|
| Valid | Below high school | 4 | 2.5 | 2.5 | 2.5 |
| | Diploma | 20 | 12.5 | 12.5 | 15.0 |
| | B.A Degree | 112 | 70.0 | 70.0 | 85.0 |
| | M.A Degree | 24 | 15.0 | 15.0 | 100.0 |
| | Total | 160 | 100.0 | 100.0 | |

Source: (Own Survey, 2024)

As shown in table 4.5 the majority of respondents (70.0%) had a Bachelor's (B.A.) degree, which is the largest educational level represented. Also 15.0% had a Master's (M.A.) degree, which is the second largest group. Only a small proportion had an educational level below a diploma (2.5% below high school, 12.5% diploma).

Table 4.6: Work experience of the Respondents in years

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------|-----------|---------|---------------|--------------------|
| Valid | less than 5 | 21 | 13.1 | 13.1 | 13.1 |
| | 6-10 | 87 | 54.4 | 54.4 | 67.5 |
| | 11-15 | 36 | 22.5 | 22.5 | 90.0 |
| | 16-20 | 9 | 5.6 | 5.6 | 95.6 |
| | above 20 | 7 | 4.4 | 4.4 | 100.0 |
| | Total | 160 | 100.0 | 100.0 | |

Source: (Own Survey, 2024)

Based on table 4.6 the largest group, over half the respondents (54.4%), had 6-10 years of work experience. The next largest group (22.5%) had 11-15 years of experience. Only a small proportion had very low (less than 5 years, 13.1%) or very high (above 20 years, 4.4%) work experience at Dashen Bank.

4.1.3 Analysis of Human Capital Development

Table 4.7: Analysis of Human Capital Development

| Item # | Human Capital Development | | strongly disagree | disagree | neutral | agree | strongly agree | Mean | Std. Deviation | Grand Mean |
|--------|---|---|-------------------|----------|---------|-------|----------------|------|----------------|------------|
| 1. | The competitiveness of an organization lies in its ability to effectively manage its human capital and social capital. | N | 13 | 31 | 12 | 73 | 31 | 3.49 | 1.234 | 3.644 |
| | | % | 8.1% | 19.4% | 7.5% | 45.6% | 19.4% | | | |
| 2. | To enhance competitiveness, leaders must grasp the firm's social capital both internally and externally. | N | 12 | 21 | 13 | 78 | 36 | 3.66 | 1.182 | |
| | | % | 7.5% | 13.1% | 8.1% | 48.8% | 22.5% | | | |
| 3. | Developing human capital within an organization drives individual performance improvement. | N | 10 | 25 | 16 | 78 | 31 | 3.59 | 1.151 | |
| | | % | 6.3% | 15.6% | 10.0% | 48.8% | 19.4% | | | |
| 4. | Human capital development strategies should align with the firm's competitive business environment. | N | 12 | 20 | 5 | 80 | 43 | 3.76 | 1.195 | |
| | | % | 7.5% | 12.5% | 3.1% | 50.0% | 26.9% | | | |
| 5. | Effective human capital development motivates employees to work productively through uncertain and turbulent business conditions. | N | 4 | 22 | 16 | 91 | 27 | 3.72 | .985 | |
| | | % | 2.5% | 13.8% | 10.0% | 56.9% | 16.9% | | | |

Source: (Own Survey, 2024)

According to table 4.7 item 1, a majority of respondents (45.6%) agreed that Dashen Bank's competitiveness is tied to its effective management of human and social capital. An additional 19.4% strongly agreed with this statement. A combined 27.5% of respondents disagreed (19.4%) or strongly disagreed (8.1%) with the statement. And also 7.5% of respondents were neutral on this matter.

This means that the combined agreement rate of 65% (45.6% agree + 19.4% strongly agree) suggests that most customers and stakeholders believe Dashen Bank's competitiveness is strongly linked to its ability to effectively manage its human and social capital. The relatively low disagreement rate of 27.5% indicates that only a small to moderate portion of respondents do not see a clear connection between Dashen Bank's competitiveness and its management of human and social capital. The neutral response rate of 7.5% is relatively low, suggesting that most respondents have a clear opinion on this matter.

Based on table 4.7 item 2 the majority of respondents (48.8%) agreed that leaders must grasp the firm's social capital, both internally and externally, to enhance Dashen Bank's competitiveness. An additional 22.5% strongly agreed with this statement. A combined 20.6% of respondents disagreed (13.1%) or strongly disagreed (7.5%) with the statement. 8.1% of respondents were neutral on this matter.

This result means that the combined agreement rate of 71.3% (48.8% agree + 22.5% strongly agree) suggests that most respondents believe that Dashen Bank's leaders must have a strong understanding of the firm's internal and external social capital to enhance its competitiveness. The relatively low disagreement rate of 20.6% indicates that only a small to moderate portion of respondents do not see a clear connection between leaders' grasp of social capital and Dashen Bank's competitiveness. The neutral response rate of 8.1% is relatively low, suggesting that most respondents have a clear opinion on this matter.

Table 4.7 item 3, shows that the majority of respondents (48.8%) agreed that developing human capital within Dashen Bank drives individual performance improvement. An additional 19.4% strongly agreed with this statement. A combined 21.9% of respondents disagreed (15.6%) or strongly disagreed (6.3%) with the statement. And 10% of respondents were neutral on this matter.

This means that the combined agreement rate of 68.2% (48.8% agree + 19.4% strongly agree) suggests that most respondents believe that Dashen Bank's efforts to develop its human capital (employees) are effective in driving individual performance improvement. The relatively low disagreement rate of 21.9% indicates that only a small to moderate portion of respondents do not see a clear connection between human capital development and individual performance improvement. The neutral response rate of 10% is relatively low, suggesting that most respondents have a clear opinion on this matter.

Table 4.7 item 4, shows that a majority of respondents (50%) agreed that Dashen Bank's human capital development strategies should align with the firm's competitive business environment. An additional 26.9% strongly agreed with this statement. A combined 20% of respondents disagreed (12.5%) or strongly disagreed (7.5%) with the statement. Only 3.1% of respondents were neutral on this matter.

This means that the combined agreement rate of 76.9% (50% agree + 26.9% strongly agree) suggests that most respondents believe that Dashen Bank's human capital development strategies should be closely aligned with the bank's competitive business environment. The relatively low disagreement rate of 20% indicates that only a small to moderate portion of respondents do not see a clear need for alignment between human capital strategies and the competitive landscape. The very low neutral response rate of 3.1% suggests that the vast majority of respondents have a clear opinion on this matter.

Table 4.7 item 5 shows, the majority of respondents (56.9%) agreed that effective human capital development motivates employees to work productively through uncertain and turbulent business conditions. An additional 16.9% strongly agreed with this statement. A combined 16.3% of respondents disagreed (13.8%) or strongly disagreed (2.5%) with the statement. And 10% of respondents were neutral on this matter.

This means that the combined agreement rate of 73.8% (56.9% agree + 16.9% strongly agree) suggests that most respondents believe that Dashen Bank's efforts to effectively develop its human capital can help motivate employees to remain productive even in the face of uncertain and turbulent business conditions. The relatively low disagreement rate of 16.3% indicates that only a small to moderate portion of respondents do not see a clear link between effective human capital development and employee motivation during challenging times. The neutral response

rate of 10% is relatively low, suggesting that most respondents have a clear opinion on this matter.

The "Grand Mean" value of 3.644 represents the overall average or central tendency across all the statements about human capital development. This indicates that on average, the respondents tended to agree with the statements presented in the table.

4.1.4 Analysis of Organizational Leadership Style

Table 4.8: Analysis of Organizational Leadership Style

| Item # | Organizational Leadership Style | | strongly disagree | disagree | neutral | agree | strongly agree | Mean | Std. Deviation | Grand Mean |
|--------|---|---|-------------------|----------|---------|-------|----------------|------|----------------|------------|
| 1. | The organization considers the importance of adopting an effective leadership style in enhancing its competitiveness. | N | 13 | 24 | 12 | 76 | 35 | 3.60 | 1.214 | 3.72 |
| | | % | 8.1% | 15.0% | 7.5% | 47.5% | 21.9% | | | |
| 2. | Effective strategic leadership style encapsulates managers within all levels of management of the firm. | N | 16 | 38 | 11 | 66 | 29 | 3.34 | 1.293 | |
| | | % | 10.0% | 23.8% | 6.9% | 41.3% | 18.1% | | | |
| 3. | Aligning leadership style to the unpredictable environment boosts organizational effectiveness and competitiveness. | N | 4 | 15 | 15 | 85 | 41 | 3.90 | .973 | |
| | | % | 2.5% | 9.4% | 9.4% | 53.1% | 25.6% | | | |
| 4. | Effective leadership style enhances organizational competitiveness by improving employee commitment. | N | 4 | 8 | 5 | 104 | 39 | 4.04 | .839 | |
| | | % | 2.5% | 5.0% | 3.1% | 65.0% | 24.4% | | | |

Source: (Own Survey, 2024)

Table 4.8 item 1 shows the majority of respondents (47.5%) agreed that Dashen Bank considers the importance of adopting an effective leadership style in enhancing its competitiveness. An additional 21.9% strongly agreed with this statement. A combined 23.1% of respondents

disagreed (15%) or strongly disagreed (8.1%) with the statement. And 7.5% of respondents were neutral on this matter.

This means that the combined agreement rate of 69.4% (47.5% agree + 21.9% strongly agree) suggests that most respondents believe that Dashen Bank recognizes the importance of leadership style as a key factor in enhancing the bank's competitiveness. The disagreement rate of 23.1% indicates that a moderate portion of respondents do not see Dashen Bank as placing sufficient emphasis on the role of leadership style in driving competitiveness. The neutral response rate of 7.5% is relatively low, suggesting that most respondents have a clear opinion on this matter.

Table 4.8 item 2 shows that group of respondents (41.3%) agreed that effective strategic leadership style encapsulate managers within all levels of management at Dashen Bank. An additional 18.1% strongly agreed with this statement. A combined 33.8% of respondents disagreed (23.8%) or strongly disagreed (10%) with the statement. And 6.9% of respondents were neutral on this matter.

This means that the combined agreement rate of 59.4% (41.3% agree + 18.1% strongly agree) suggests that a majority of respondents believe that Dashen Bank has adopted effective strategic leadership styles that permeate across all levels of management. However, the relatively high disagreement rate of 33.8% indicates that a sizable portion of respondents do not perceive the bank's leadership style to be effectively implemented across the management hierarchy. The neutral response rate of 6.9% is relatively low, suggesting that most respondents have a clear opinion on this matter.

Table 4.8 item 3 shows the majority of respondents (53.1%) agreed that aligning leadership style to the unpredictable environment boosts organizational effectiveness and competitiveness at Dashen Bank. An additional 25.6% strongly agreed with this statement. A combined 11.9% of respondents disagreed (9.4%) or strongly disagreed (2.5%) with the statement. 9.4% of respondents were neutral on this matter.

This result means that the combined agreement rate of 78.7% (53.1% agree + 25.6% strongly agree) suggests that most respondents believe that Dashen Bank's ability to align its leadership style to the unpredictable environment is a key driver of the bank's organizational effectiveness

and competitiveness. The relatively low disagreement rate of 11.9% indicates that only a small portion of respondents do not see a clear connection between adaptive leadership and the bank's performance. The neutral response rate of 9.4% is also relatively low, suggesting that most stakeholders have a clear opinion on this matter.

Table 4.8 item 4 shows that the majority of respondents (65%) agreed that effective leadership style enhances organizational competitiveness by improving employee commitment. An additional 24.4% strongly agreed with this statement. A combined 7.5% of respondents disagreed (5%) or strongly disagreed (2.5%) with the statement. Only 3.1% of respondents were neutral on this matter.

This means the combined agreement rate of 89.4% (65% agree + 24.4% strongly agree) indicates that an overwhelming majority of respondents believe that effective leadership style is a key driver of employee commitment, which in turn enhances Dashen Bank's organizational competitiveness. The low disagreement rate of 7.5% suggests that only a small portion of respondents do not see a clear link between leadership style, employee commitment, and organizational competitiveness. The very low neutral response rate of 3.1% indicates that most stakeholders have a strong opinion on this matter.

The grand mean of 3.72 suggests that the respondents strongly recognize and agree with the importance of effective organizational leadership style in enhancing a firm's competitiveness. This high-level insight can help inform organizational strategies and decisions around leadership development and alignment.

4.1.5 Analysis of Organizational Competitiveness

Table 4.9: Analysis of Organizational Competitiveness

| Item # | Organizational Competitiveness | | strongly disagree | disagree | neutral | agree | strongly agree | Mean | Std. Deviation | Grand Mean |
|--------|---|---|-------------------|----------|---------|-------|----------------|------|----------------|------------|
| 1. | The organization delivers its products and services in a timely manner as compared to competitors’. | N | 16 | 40 | 16 | 60 | 28 | 3.28 | 1.288 | 3.065 |
| | | % | 10.0% | 25.0% | 10.0% | 37.5% | 17.5% | | | |
| 2. | The organization's prices and costs are good as compared to those of its main competitors. | N | 15 | 26 | 18 | 68 | 33 | 3.49 | 1.249 | |
| | | % | 9.4% | 16.3% | 11.3% | 42.5% | 20.6% | | | |
| 3. | The organization has been reducing costs over the past few years. | N | 26 | 72 | 19 | 25 | 18 | 2.61 | 1.249 | |
| | | % | 16.3% | 45.0% | 11.9% | 15.6% | 11.3% | | | |
| 4. | Organization's products/services are of higher quality as compared to competitors. | N | 21 | 66 | 15 | 27 | 31 | 2.88 | 1.371 | |
| | | % | 13.1% | 41.3% | 9.4% | 16.9% | 19.4% | | | |
| 5. | Customers are satisfied by the quality of the organization's products/services. | N | 17 | 37 | 12 | 65 | 29 | 3.33 | 1.301 | |
| | | % | 10.6% | 23.1% | 7.5% | 40.6% | 18.1% | | | |

Source: (Own Survey, 2024)

Table 4.9 item #1 shows that 37.5% of respondents agreed that Dashen Bank delivers its products and services in a timely manner compared to its competitors. Also 17.5% of respondents strongly agreed with this statement. A combined 35% of respondents disagreed (25%) or strongly disagreed (10%) with the statement. And 10% of respondents were neutral on this matter.

This result means that the combined agreement rate of 55% (37.5% agree + 17.5% strongly agree) suggests that more than half of the respondents believe Dashen Bank is able to deliver its products and services in a timely manner relative to its competitors. However, the significant disagreement rate of 35% indicates that a sizable portion of respondents do not perceive Dashen Bank as being timelier in its product/service delivery compared to the competition. The neutral response rate of 10% suggests that some stakeholders may not have a strong opinion on Dashen Bank's timeliness of product and service delivery.

Table 4.9 item #2 shows that 42.5% of respondents agreed that Dashen Bank's prices and costs are good compared to its main competitors. Also 20.6% of respondents strongly agreed with this statement. A combined 25.7% of respondents disagreed (16.3%) or strongly disagreed (9.4%) with the statement. And 11.3% of respondents were neutral on this matter.

This means that the combined agreement rate of 63.1% (42.5% agree + 20.6% strongly agree) suggests that a majority of respondents perceive Dashen Bank's prices and costs as being favorable compared to its main competitors. However, the significant disagreement rate of 25.7% indicates that a sizable portion of respondents do not believe Dashen Bank's prices and costs are as competitive as those of its main rivals. The neutral response rate of 11.3% suggests that some stakeholders may not have a strong opinion on the relative competitiveness of Dashen Bank's pricing and costs.

Table 4.9 item #3 shows 15.6% of respondents agreed that Dashen Bank has been reducing costs over the past few years. And 11.3% of respondents strongly agreed with this statement. A combined 61.3% of respondents disagreed (45%) or strongly disagreed (16.3%) with the statement. And 11.9% of respondents were neutral on this matter.

This result means the combined agreement rate of 26.9% (15.6% agree + 11.3% strongly agree) suggests that only a minority of respondents believe Dashen Bank has been successful in reducing costs over the past few years. The significant disagreement rate of 61.3% indicates that a majority of respondents do not perceive Dashen Bank as having effectively managed to reduce its costs during this period. The neutral response rate of 11.9% suggests that some stakeholders may not have a strong opinion or may not be aware of Dashen Bank's cost reduction efforts.

Table 4.9 item #4 shows 16.9% of respondents agreed that Dashen Bank's products/services are of higher quality compared to competitors. Also 19.4% of respondents strongly agreed with this statement. A combined 54.4% of respondents disagreed (41.3%) or strongly disagreed (13.1%) with the statement. And 9.4% of respondents were neutral on this matter.

This means the combined agreement rate of 36.3% (16.9% agree + 19.4% strongly agree) suggests that only a minority of respondents perceive Dashen Bank's products/services as being of higher quality compared to its competitors. The significant disagreement rate of 54.4% indicates that a majority of respondents do not believe Dashen Bank's products/services are of

superior quality relative to its competitors. The neutral response rate of 9.4% suggests that some stakeholders may not have a strong opinion or may not be aware of the relative quality of Dashen Bank's products/services.

Table 4.9 item #5 shows 40.6% of respondents agreed that customers are satisfied by the quality of Dashen Bank's products/services. Also 18.1% of respondents strongly agreed with this statement. A combined 33.7% of respondents disagreed (23.1%) or strongly disagreed (10.6%) with the statement. And 7.5% of respondents were neutral on this matter.

This result shows the combined agreement rate of 58.7% (40.6% agree + 18.1% strongly agree) suggests that a majority of respondents believe customers are satisfied with the quality of Dashen Bank's products/services. The disagreement rate of 33.7% indicates that a significant minority of respondents do not believe that customers are satisfied with the quality of Dashen Bank's offerings. The neutral response rate of 7.5% suggests that some stakeholders may not have a strong opinion or may not be aware of customer satisfaction levels with Dashen Bank's products/services.

The grand mean of 3.065 for organizational competitiveness suggests that the respondents have a somewhat positive but not strongly favorable view of the organization's overall competitiveness. The analysis highlights areas for potential improvement, such as cost reduction and product/service quality, which the organization could focus on to enhance its competitive position.

4.1.6 Correlation Analysis

Table 4.10 shows that the correlation analysis among Human Capital Development, Organizational Leadership Style, and Organizational Competitiveness.

Human Capital Development and Organizational Leadership Style:

The Pearson correlation coefficient between Human Capital Development and Organizational Leadership Style is 0.748. This indicates a strong positive correlation between these two variables, which means that as one variable increases, the other variable also tends to increase. The p-value (Sig. 2-tailed) is 0.000, which is less than the significance level of 0.01. This means the correlation is statistically significant at the 99% confidence level.

Human Capital Development and Organizational Competitiveness:

The Pearson correlation coefficient between Human Capital Development and Organizational Competitiveness is 0.676. This also indicates a strong positive correlation between these two variables, suggesting that as human capital development increases, organizational competitiveness tends to increase as well. The p-value (Sig. 2-tailed) is 0.000, which is less than the significance level of 0.01. This means the correlation is statistically significant at the 99% confidence level.

Organizational Leadership Style and Organizational Competitiveness:

The Pearson correlation coefficient between Organizational Leadership Style and Organizational Competitiveness is 0.688. This indicates a strong positive correlation between these two variables, implying that as organizational leadership style improves, organizational competitiveness also tends to increase. The p-value (Sig. 2-tailed) is 0.000, which is less than the significance level of 0.01. This means the correlation is statistically significant at the 99% confidence level.

Table 4.10: Correlations

| | | Human Capital Development | Organizational Leadership Style | Organizational Competitiveness |
|--|---------------------|---------------------------|---------------------------------|--------------------------------|
| Human Capital Development | Pearson Correlation | 1 | | |
| | Sig. (2-tailed) | | | |
| | N | 160 | | |
| Organizational Leadership Style | Pearson Correlation | .748** | 1 | |
| | Sig. (2-tailed) | .000 | | |
| | N | 160 | 160 | |
| Organizational Competitiveness | Pearson Correlation | .676** | .688** | 1 |
| | Sig. (2-tailed) | .000 | .000 | |
| | N | 160 | 160 | 160 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | | |

Source: (Own Survey, 2024)

4.1.7 Regression Assumption Test

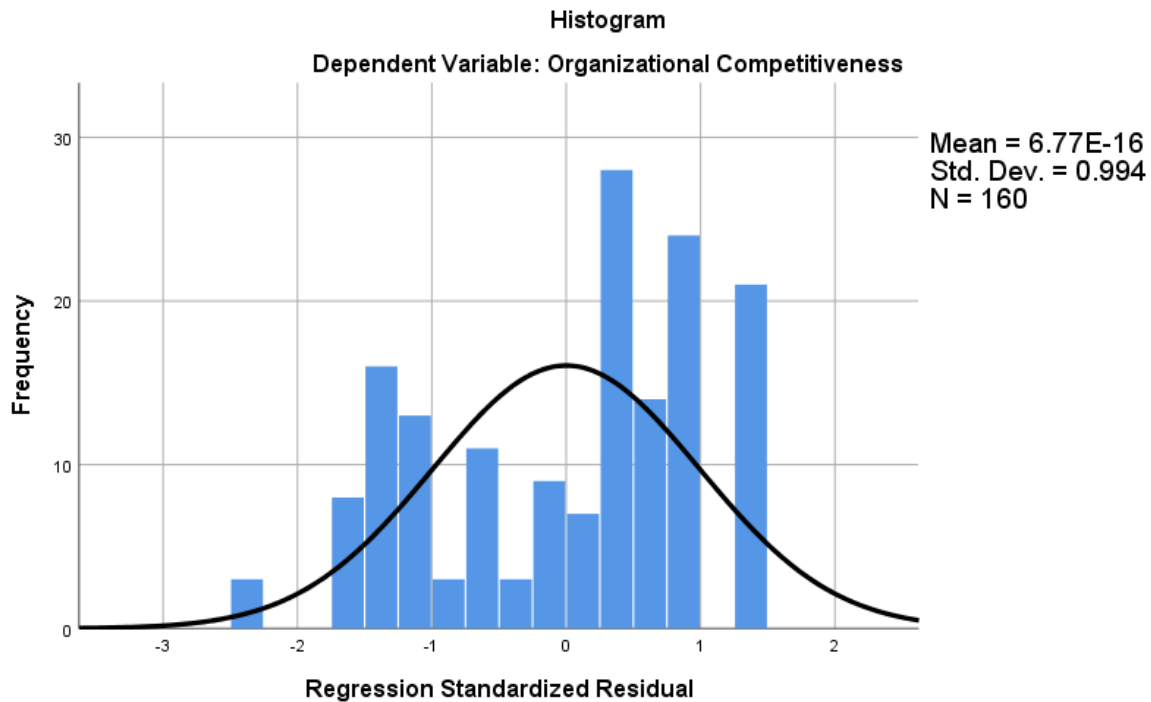
Table 4.11: Autocorrelation Test

| Model Summary ^b | | | | | |
|--|-------------------|----------|-------------------|----------------------------|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | .730 ^a | .532 | .527 | .629 | 1.841 |
| a. Predictors: (Constant), Organizational Leadership Style , Human Capital Development | | | | | |
| b. Dependent Variable: Organizational Competitiveness | | | | | |

Source: (Own Survey, 2024)

The Durbin-Watson statistic is a test for autocorrelation in the residuals of a regression model. Autocorrelation occurs when the errors in the model are correlated with each other, violating the assumption of independent errors. The Durbin-Watson statistic can range from 0 to 4, with a value of 2 indicating no autocorrelation. Values less than 2 suggest positive autocorrelation, while values greater than 2 suggest negative autocorrelation. Table 4.11 shows Durbin-Watson statistic is 1.841, which is close to 2. This suggests that there is little to no autocorrelation in the residuals, meaning the assumption of independent errors is met.

Figure 4.1: Regression Standard Residual



In figure 4.1 the histogram provided shows the distribution of the regression standardized residuals for the dependent variable, Organizational Competitiveness. The distribution of the residuals appears to be approximately normal, with a bell-shaped curve centered around 0. This suggests the assumption of normally distributed residuals is met. The mean of the residuals is very close to 0 (6.77E-16), indicating the model is unbiased and the predicted values are on average equal to the observed values. The standard deviation of the residuals is 0.994, which is close to 1. This further supports the assumption of homoscedastic (constant) variance of the residuals. There are no obvious outliers or skewness in the distribution, indicating the model is well-specified and the data is relatively clean.

Overall, the histogram provides visual confirmation that the key assumptions of linear regression, such as normality, linearity, and homoscedasticity, are satisfied. This increases confidence in the validity and reliability of the regression results.

Figure 4.2: Normality Test

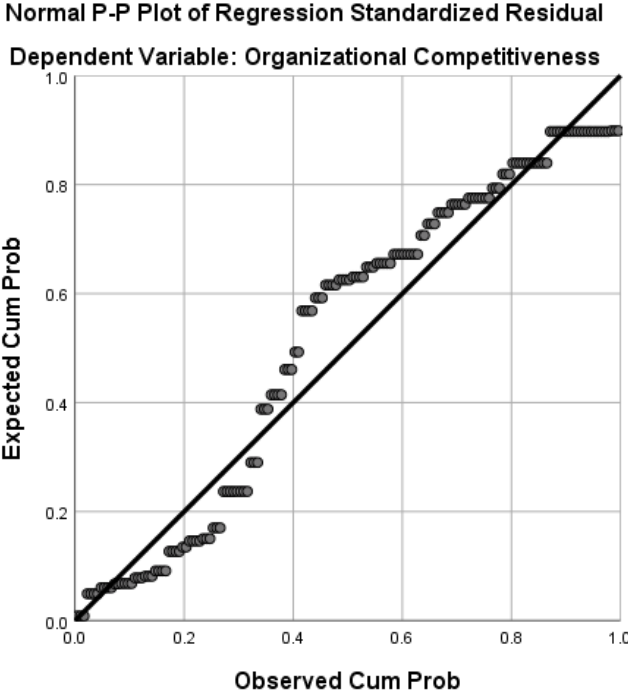


Figure 4.1 provided Normal P-P (Probability-Probability) Plot of the regression standardized residuals for the dependent variable, Organizational Competitiveness. This plot is another diagnostic tool used to assess the normality assumption of the regression model.

The data points are closely aligned with the diagonal reference line, indicating the residuals are approximately normally distributed. There are no major deviations or curvature in the plot, further confirming the normality assumption. The points follow the expected trend line, with the majority clustered around the diagonal, and the tails of the distribution also aligning well. The plot does not reveal any outliers or extreme deviations from the normal distribution.

Overall, the Normal P-P Plot provides strong visual support that the assumption of normally distributed residuals is met. The close fit of the data points to the diagonal reference line suggests the regression model is appropriately specified and the data is well-suited for the analysis. This, combined with the earlier observations from the histogram, indicates the regression analysis has been conducted on a high-quality dataset and the assumptions underlying the model have been satisfactorily met. This increases confidence in the reliability and validity of the regression results.

Figure 4.3: Homoscedasticity Test

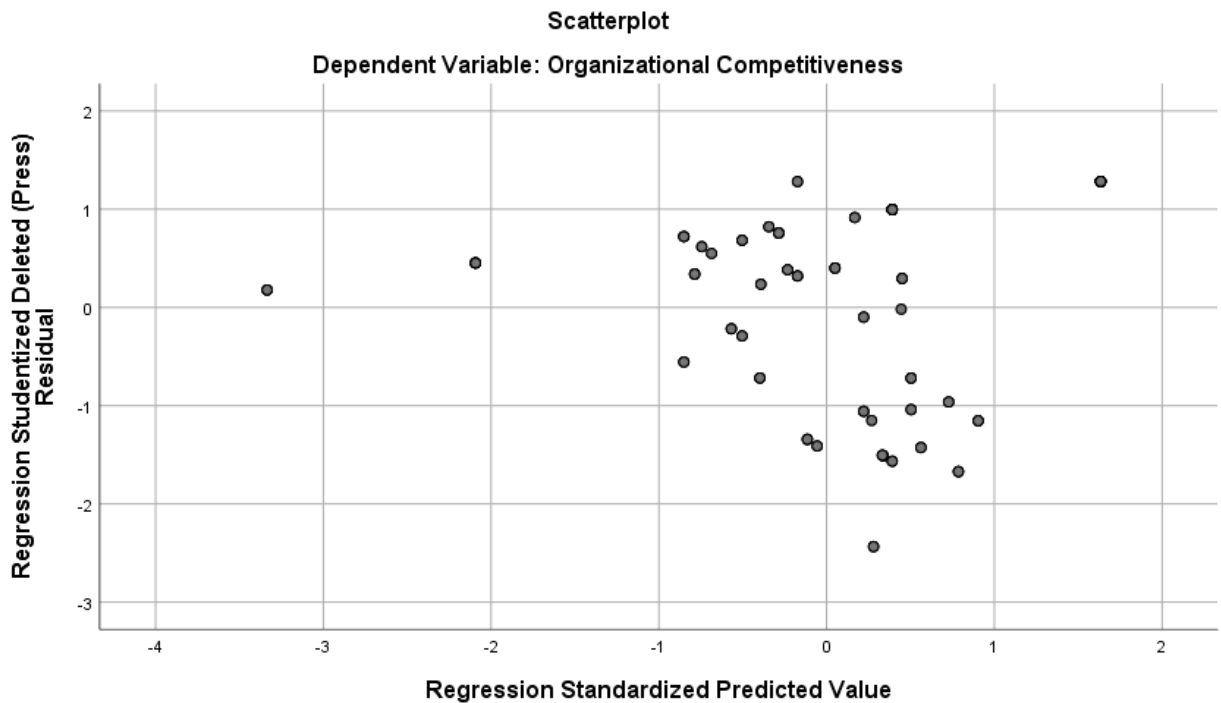


Figure 4.3 provided a scatterplot that displays the relationship between the Regression Standardized Predicted Values (x-axis) and the Regression Standardized Residual (y-axis) for the dependent variable, Organizational Competitiveness.

The data points are scattered around the horizontal line at $y=0$, with no clear pattern or curvature, indicating the assumptions of linearity and homoscedasticity (constant variance) are met. The spread of the data points is relatively even across the range of predicted values, further confirming the homoscedasticity assumption. There are no obvious outliers or extreme data points that deviate significantly from the overall pattern. The random distribution of the points around the $y=0$ line suggests the residuals have a mean of zero, as expected for a well-specified regression model.

Overall, the scatterplot provides visual confirmation that the key assumptions of linear regression, such as linearity, homoscedasticity, and the absence of outliers, are satisfied. The random, even distribution of the data points around the $y=0$ line is a positive indication that the regression model is well-specified and the data is appropriate for the analysis.

This, combined with the earlier diagnostic checks from the histogram and Normal P-P plot, suggests the regression analysis has been conducted on a high-quality dataset and the underlying assumptions have been met. This increases confidence in the validity and reliability of the regression results.

4.1.8 Regression Analysis

Table 4.12: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .730 ^a | .532 | .527 | .629 | .532 | 89.407 | 2 | 157 | .000 |

a. Predictors: (Constant), Organizational Leadership Style, Human Capital Development

Source: (Own Survey, 2024)

Regression analysis is a powerful statistical technique used to model and analyze the relationship between a dependent variable and one or more independent variables. The multiple regression model analysis of this study is shown in table 4.12 above.

Multiple R (R):

The multiple correlation coefficient (R) is 0.730, which indicates a strong positive relationship between the independent variables (Human Capital Development and Organizational Leadership Style) and the dependent variable (Organizational Competitiveness).

R-Square (R²):

The R-square value is 0.532, which means that 53.2% of the variation in Organizational Competitiveness can be explained by the combined effects of Human Capital Development and Organizational Leadership Style.

Adjusted R-Square:

The Adjusted R-square is 0.527, which is very close to the R-square value. This suggests that the model has good explanatory power and the independent variables are suitable predictors of the dependent variable.

Standard Error of the Estimate:

The standard error of the estimate is 0.629, which represents the average amount of error in the prediction of Organizational Competitiveness using the regression model. This means that the regression model is making predictions with a relatively small amount of error, suggesting the model is reasonably accurate in its predictions.

Change Statistics:

The R-square change value is 0.532, which indicates that the addition of the two independent variables (Human Capital Development and Organizational Leadership Style) explains an additional 53.2% of the variation in Organizational Competitiveness.

The F-change statistic is 89.407, with 2 and 157 degrees of freedom. The associated p-value (Sig. F Change) is 0.000, which is less than the significance level of 0.01. This means the change in R-square is statistically significant at the 99% confidence level.

Table 4.13: ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 70.651 | 2 | 35.326 | 89.407 | .000 ^b |
| | Residual | 62.033 | 157 | .395 | | |
| | Total | 132.684 | 159 | | | |
| a. Dependent Variable: Organizational Competitiveness | | | | | | |
| b. Predictors: (Constant), Organizational Leadership Style, Human Capital Development | | | | | | |

Source: (Own Survey, 2024)

Table 4.14: Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | | Collinearity Statistics | |
|---|---------------------------------|-----------------------------|------------|---------------------------|-------|------|---------------------------------|-------------|-------------------------|-------|
| | | B | Std. Error | Beta | | | Lower Bound | Upper Bound | Tolerance | VIF |
| 1 | (Constant) | .064 | .235 | | .271 | .787 | -.401 | .528 | | |
| | Human Capital Development | .373 | .083 | .368 | 4.479 | .000 | .209 | .538 | .441 | 2.269 |
| | Organizational Leadership Style | .455 | .091 | .412 | 5.016 | .000 | .276 | .634 | .441 | 2.269 |
| a. Dependent Variable: Organizational Competitiveness | | | | | | | | | | |

Source: (Own Survey, 2024)

Table 4.14 is the Coefficients table provides information about the individual predictors in the regression model as follows:

Unstandardized Coefficients:

The unstandardized coefficient for Human Capital Development is 0.373, which means that for a one-unit increase in Human Capital Development, Organizational Competitiveness is predicted to increase by 0.373 units, holding all other variables constant. The unstandardized coefficient for Organizational Leadership Style is 0.455, which means that for a one-unit increase in Organizational Leadership Style, Organizational Competitiveness is predicted to increase by 0.455 units, holding all other variables constant.

Standardized Coefficients (Beta):

The standardized coefficient for Human Capital Development is 0.368, which indicates that a one-standard-deviation increase in Human Capital Development is associated with a 0.368 standard deviation increase in Organizational Competitiveness. The standardized coefficient for Organizational Leadership Style is 0.412, which indicates that a one-standard-deviation increase in Organizational Leadership Style is associated with a 0.412 standard deviation increase in Organizational Competitiveness.

t-statistics and Significance (Sig.):

The t-statistics for both Human Capital Development (4.479) and Organizational Leadership Style (5.016) are statistically significant at the 0.01 level ($p\text{-value} < 0.001$), indicating that these predictors have a significant impact on Organizational Competitiveness.

Confidence Interval:

The 95% confidence intervals for the unstandardized coefficients of both Human Capital Development (0.209 to 0.538) and Organizational Leadership Style (0.276 to 0.634) do not include zero, further confirming the statistical significance of these predictors.

Collinearity Statistics:

The tolerance values for both predictors are 0.441, which is greater than the commonly used threshold of 0.1, indicating that multicollinearity is not a concern in this model. The Variance Inflation Factor (VIF) values for both predictors are 2.269, which is less than the commonly used threshold of 10, also suggesting that multicollinearity is not an issue.

In summary, the Coefficients table indicates that both Human Capital Development and Organizational Leadership Style are statistically significant predictors of Organizational Competitiveness. The unstandardized coefficients suggest that a one-unit increase in these variables is associated with a corresponding increase in Organizational Competitiveness, holding all other variables constant. The standardized coefficients provide insights into the relative importance of each predictor. The collinearity diagnostics suggest that multicollinearity is not a concern in this model.

Table 4.15: Collinearity Diagnostics ^a

| Model | Dimension | Eigenvalue | Condition Index | Variance Proportions | | |
|-------|-----------|------------|-----------------|----------------------|---------------------------|---------------------------------|
| | | | | (Constant) | Human Capital Development | Organizational Leadership Style |
| 1 | 1 | 2.956 | 1.000 | .01 | .00 | .00 |
| | 2 | .031 | 9.720 | .93 | .22 | .05 |
| | 3 | .013 | 15.182 | .07 | .78 | .95 |

a. Dependent Variable: Organizational Competitiveness

Source: (Own Survey, 2024)

The Collinearity Diagnostics table provides additional information to assess the potential multicollinearity issues in the regression model and shown in table 4.15 above.

The condition index is a measure of the degree of multicollinearity, with values greater than 30 generally indicating a potential multicollinearity problem. The condition index for the first dimension is 1.000, which is the lowest possible value and indicates no multicollinearity. The condition index for the second and third dimensions are 9.720 and 15.182, respectively, which are below the threshold of 30, suggesting that multicollinearity is not a major concern in this model.

4.2 Discussion

4.2.1 Discussion on Human Capital Development

The survey results indicate that Dashen Bank's focus on effectively managing its human capital (employees) and social capital (relationships, networks, and reputation) is perceived as a key driver of its competitiveness in the banking industry. This suggests that Dashen Bank's investments in areas such as talent management, employee development, organizational culture, stakeholder engagement, and brand building are likely paying off and contributing to its competitive advantage.

The survey results indicate that Dashen Bank's stakeholders recognize the importance of the bank's leaders having a deep understanding of the firm's social capital, both within the organization and in its external relationships and networks, as a key driver of its competitiveness. This suggests that Dashen Bank's leaders should prioritize efforts to map, analyse, and leverage

the firm's internal and external social capital to gain a competitive edge in the banking industry. Strategies such as fostering strong employee relationships, building robust stakeholder networks, and enhancing the bank's reputation and brand positioning could be important focus areas for Dashen Bank's leaders. Addressing the concerns of the 20.6% of respondents who disagree with the statement could also help Dashen Bank further strengthen the perception of the importance of leaders' grasp of social capital in enhancing the bank's competitiveness.

The survey results indicate that Dashen Bank's stakeholders recognize the importance of the bank's investments in developing its human capital, such as through training, skill development, and employee engagement programs, as a key driver of individual performance improvement. This suggests that Dashen Bank's human capital development initiatives are likely contributing to enhanced employee productivity, efficiency, and overall individual performance, which in turn supports the bank's competitiveness. To maintain and potentially enhance this positive relationship between human capital development and individual performance, Dashen Bank should continue to prioritize and refine its human capital management strategies. Addressing the concerns of the 21.9% of respondents who disagree with the statement could also help Dashen Bank further strengthen the perception of the effectiveness of its human capital development efforts in driving individual performance improvement.

The survey results indicate that Dashen Bank's stakeholders widely recognize the importance of aligning the bank's human capital development strategies with its competitive business environment. This suggests that Dashen Bank should ensure that its talent management, training, and employee development initiatives are tailored to address the specific skills, competencies, and workforce needs required to excel in the bank's competitive market. By closely aligning human capital strategies with the competitive landscape, Dashen Bank can better leverage its workforce to drive innovation, enhance customer service, improve operational efficiency, and ultimately strengthen the bank's overall competitiveness. Addressing the concerns of the 20% of respondents who disagree with the statement could help Dashen Bank further solidify the perceived importance of strategic alignment between human capital development and the competitive environment.

The survey results indicate that Dashen Bank's stakeholders widely recognize the importance of the bank's human capital development initiatives in motivating and supporting employees to maintain high productivity during periods of uncertainty and turbulence in the business environment. This suggests that Dashen Bank's investments in areas such as training, leadership development, change management, and employee engagement can help build a resilient and adaptable workforce capable of weathering difficult business conditions. By effectively developing its human capital, Dashen Bank can better equip its employees with the skills, mindset, and support needed to navigate uncertainties and disruptions, thereby enhancing the bank's overall operational resilience and competitiveness. Addressing the concerns of the 16.3% of respondents who disagree with the statement could help Dashen Bank further strengthen the perceived value of its human capital development efforts in motivating employee productivity during challenging times.

This result also agreed with previous studies. The findings of the research conducted by Nyamu indicate that human capital development has the highest significance effect on organizational competitiveness followed by organization style of leadership and strategic intent and vision articulation. Further the finding indicates that strategic leadership practice influence organizational competitiveness by increasing market share, profitability and productivity. Although the finding of the study contributes to the body of knowledge specifically in the matter of the study, it is found to be only limited to commercial banks in Kenya and couldn't be generalized to other cases broad without empirical testing (Nyamu, 2017).

4.2.2 Discussion on Organizational Leadership Style

The survey results indicate that Dashen Bank's stakeholders widely acknowledge the bank's consideration of effective leadership style as an important component of enhancing its competitiveness in the market. This suggests that Dashen Bank likely places a strong emphasis on leadership development, talent management, and cultivating a leadership culture that can positively impact the bank's overall performance and competitive positioning. By prioritizing the adoption of effective leadership styles, Dashen Bank can better equip its managers and executives to inspire and motivate employees, make strategic decisions, and navigate the bank through competitive challenges. Addressing the concerns of the 23.1% of respondents who

disagree with the statement could help Dashen Bank further strengthen the perception that the bank is committed to leveraging leadership as a strategic differentiator.

The survey results indicate that while a majority of Dashen Bank's stakeholders believe the bank has an effective strategic leadership style that is adopted by managers at all levels, there is still room for improvement in the eyes of a significant minority. This suggests that Dashen Bank may need to further strengthen its leadership development programs, succession planning, and organizational culture to ensure a more consistent and pervasive adoption of strategic leadership capabilities across the management team. By solidifying effective strategic leadership as a core competency at all levels, Dashen Bank can better align its decision-making, resource allocation, and employee engagement efforts to drive sustained competitive advantage. Addressing the concerns of the 33.8% of respondents who disagree with the statement could help Dashen Bank enhance the perceived effectiveness and consistency of its strategic leadership approach throughout the organization.

The survey results indicate that Dashen Bank's stakeholders widely acknowledge the importance of the bank's leadership style being aligned with the unpredictable business environment in enhancing organizational effectiveness and competitiveness. This suggests that Dashen Bank likely places a strong emphasis on developing the adaptive and strategic leadership capabilities of its managers, enabling them to navigate the bank through volatile and uncertain market conditions. By prioritizing the alignment of leadership style with environmental dynamics, Dashen Bank can better position itself to make timely and informed decisions, respond to competitive threats, and capitalize on emerging opportunities. The high level of agreement among respondents underscores the strategic significance of leadership agility and adaptability in Dashen Bank's operating context.

The survey results highlight the strategic importance of effective leadership style in driving employee commitment and, consequently, improving Dashen Bank's competitiveness in the market. This suggests that Dashen Bank likely places significant emphasis on developing the leadership capabilities of its managers, as they recognize the direct impact of leadership on employee engagement and organizational performance. By fostering a leadership style that effectively motivates and inspires employees, Dashen Bank can create a highly committed and

engaged workforce, which can enhance the bank's ability to outperform its competitors. The high level of agreement among respondents underscores the perceived value of leadership in cultivating a competitive advantage for Dashen Bank through improved employee commitment.

Also this study agreed with Geke's study. Geke conducted research titled strategic leadership and competitive advantage of commercial banks in Kenya. The concept of strategic leadership that the researcher elaborated was capacity to anticipate business changes, capacity to question the status, the ability to interpret information, decision making capacity and ability to align to stakeholder interest. These variables were examined to determine their relationship with organizational competitiveness. Each of the variables has an influence over the dependent variable and the correlation analysis indicates that there is a positive significant relationship between strategic leadership and organizational competitiveness (Geke, 2021).

4.2.3 Discussion on Organizational Competitiveness

The survey results present a mixed picture regarding Dashen Bank's ability to deliver its products and services in a timely manner compared to its competitors. While more than half of the respondents believe Dashen Bank is performing well in this aspect, a significant proportion feel that the bank is not keeping up with the competition in terms of timeliness of delivery. This may indicate that Dashen Bank needs to further improve its operational efficiency, streamline its processes, and enhance its responsiveness to customer needs in order to strengthen its competitive position in the market. The relatively high disagreement rate suggests that Dashen Bank may need to invest more resources in optimizing its product/service delivery mechanisms, potentially through technological advancements, process improvements, or enhancing its supply chain management.

The survey results indicate that Dashen Bank is generally viewed as being price-competitive in the market, with the majority of respondents considering the bank's prices and costs to be favorable compared to its main competitors. This suggests that Dashen Bank has likely implemented effective pricing and cost management strategies that enable it to maintain a competitive edge in the industry. However, the significant disagreement rate suggests that there may be room for improvement in certain aspects of Dashen Bank's pricing and cost structure, as a sizable portion of stakeholders do not perceive the bank as being as cost-competitive as its

main rivals. Dashen Bank may need to further analyze its pricing and cost drivers, identify areas for optimization, and potentially adjust its strategies to ensure it remains highly competitive on these factors in the market.

The survey results suggest that Dashen Bank has not been perceived as effectively reducing its costs over the past few years, as indicated by the low agreement rate and high disagreement rate among respondents. This may imply that Dashen Bank has faced challenges in implementing effective cost management strategies or has not been able to communicate its cost reduction efforts effectively to its stakeholders. The high disagreement rate could indicate that Dashen Bank's competitors may have been more successful in reducing their costs, potentially putting Dashen Bank at a relative disadvantage in terms of cost competitiveness. Dashen Bank may need to re-evaluate its cost management practices, identify areas for improvement, and communicate its cost reduction efforts more transparently to its stakeholders to improve perceptions and maintain its competitiveness in the market.

The survey results suggest that Dashen Bank's stakeholders do not generally view the bank's products/services as being of higher quality compared to its competitors. This may indicate that Dashen Bank needs to focus on improving the quality and competitiveness of its product/service offerings to better meet the expectations of its customers and maintain its market position. The high disagreement rate could also suggest that Dashen Bank's competitors may have been more successful in delivering higher-quality products/services, which could be impacting Dashen Bank's perceived competitiveness. Dashen Bank may need to invest in enhancing the quality and features of its products/services, while also effectively communicating the value proposition of its offerings to its stakeholders.

The survey results indicate that Dashen Bank's stakeholders generally believe that customers are satisfied with the quality of the bank's products/services, as evidenced by the majority agreement rate. This suggests that Dashen Bank has been able to maintain a reasonable level of customer satisfaction with the quality of its offerings, which is an important aspect of its competitiveness and market positioning. However, the significant disagreement rate of 33.7% suggests that there may be room for improvement in customer satisfaction, and Dashen Bank may need to further enhance the quality and features of its products/services to better meet customer expectations.

Dashen Bank should continue to monitor customer feedback and satisfaction levels, identify areas for improvement, and implement strategies to consistently deliver high-quality products/services that exceed customer expectations.

4.2.4 Discussion on Correlation and Regression Analysis

The correlation analysis suggests that there is a strong, positive, and statistically significant relationship between human capital development, organizational leadership style, and organizational competitiveness. Improvements in one area are likely to be associated with improvements in the other areas. These findings indicate that Dashen Bank should focus on enhancing its human capital development and organizational leadership practices, as these may have a direct impact on improving the bank's overall competitiveness.

The regression model summary suggests that the combination of Human Capital Development and Organizational Leadership Style is a strong predictor of Organizational Competitiveness, explaining 53.2% of the variation in the dependent variable. The model is statistically significant, indicating that the independent variables have a meaningful impact on the dependent variable. These findings highlight the importance of human capital development and effective organizational leadership in driving the competitiveness of Dashen Bank.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

5.1 Summary of Findings

The following are the summary of findings of the study.

- The survey results indicate that Dashen Bank's focus on effectively managing its human capital (employees) and social capital (relationships, networks, and reputation) is perceived as a key driver of its competitiveness in the banking industry. This suggests that Dashen Bank's investments in talent management, employee development, organizational culture, stakeholder engagement, and brand building are contributing to its competitive advantage. The survey results also show that Dashen Bank's stakeholders recognize the importance of the bank's leaders having a deep understanding of the firm's internal and external social capital, as well as the value of Dashen Bank's human capital development initiatives in driving individual performance improvement and aligning with the bank's competitive environment. Additionally, the results suggest that Dashen Bank's human capital development efforts play a crucial role in motivating and supporting employee productivity during periods of uncertainty and turbulence.
- The survey results indicate that Dashen Bank's stakeholders widely acknowledge the bank's focus on effective leadership style as an important component of enhancing its competitiveness in the market. This suggests that Dashen Bank places a strong emphasis on leadership development, talent management, and cultivating a leadership culture that can positively impact the bank's overall performance and competitive positioning. While a majority of Dashen Bank's stakeholders believe the bank has an effective strategic leadership style adopted across management levels, there is room for improvement in the eyes of a significant minority. This implies that Dashen Bank may need to further strengthen its leadership development programs, succession planning, and organizational culture to ensure more consistent and pervasive strategic leadership capabilities. The survey results also show that Dashen Bank's stakeholders widely recognize the importance of aligning the bank's leadership style with the unpredictable business environment to enhance organizational effectiveness and competitiveness. This suggests that Dashen Bank prioritizes developing the adaptive and strategic leadership capabilities

of its managers to navigate volatile and uncertain market conditions. Additionally, the survey highlights the strategic importance of effective leadership style in driving employee commitment and, consequently, improving Dashen Bank's competitiveness. This indicates that Dashen Bank places significant emphasis on developing the leadership capabilities of its managers, as they recognize the direct impact of leadership on employee engagement and organizational performance.

- The survey results present a mixed picture regarding Dashen Bank's ability to deliver its products and services in a timely manner compared to its competitors. While over half the respondents believe Dashen Bank is performing well in this aspect, a significant proportion feel the bank is not keeping up with the competition in terms of timeliness. This suggests Dashen Bank needs to improve its operational efficiency, streamline processes, and enhance responsiveness to customer needs to strengthen its competitive position. The majority of respondents consider Dashen Bank's prices and costs to be favorable compared to main competitors, indicating effective pricing and cost management strategies. However, the significant disagreement rate implies room for improvement in certain pricing and cost structure aspects. Respondents do not perceive Dashen Bank as effectively reducing costs over recent years, potentially implying challenges in cost management or competitors being more successful. The bank may need to re-evaluate its cost practices and communicate cost reduction efforts more transparently. Stakeholders do not generally view Dashen Bank's products/services as being of higher quality compared to competitors, suggesting a need to focus on improving quality and competitiveness of offerings. Though a majority believe customers are satisfied with Dashen Bank's product/service quality, the significant disagreement rate indicates room for further enhancing quality to better meet customer expectations.
- The correlation analysis indicates there is a strong, positive, and statistically significant relationship between human capital development, organizational leadership style, and organizational competitiveness. Improvements in one area are likely to be associated with improvements in the others. This suggests Dashen Bank should focus on enhancing its human capital development and organizational leadership practices, as these may directly impact the bank's overall competitiveness. The regression model summary shows the combination of human capital development and organizational leadership style is a strong

predictor of organizational competitiveness, explaining 53.2% of the variation in the dependent variable. The model is statistically significant, highlighting the importance of human capital development and effective organizational leadership in driving Dashen Bank's competitiveness.

5.2 Conclusions

The following are the conclusions of the study.

- Dashen Bank's focus on effectively managing human capital (employees) and social capital (relationships, networks, reputation) is perceived as a key driver of its competitiveness in the banking industry. This suggests the bank's investments in talent management, employee development, organizational culture, stakeholder engagement, and brand building contribute to its competitive advantage.
- Dashen Bank's stakeholders widely acknowledge the bank's focus on effective leadership style as an important component of enhancing its competitiveness. This implies the bank places strong emphasis on leadership development, talent management, and cultivating a leadership culture to positively impact performance and competitive positioning. However, there is room for improvement in ensuring more consistent and pervasive strategic leadership capabilities.
- The survey results present a mixed picture on Dashen Bank's operational efficiency, pricing/cost management, and product/service quality compared to competitors. This suggests the bank needs to improve in these areas to strengthen its competitive position.
- The correlation and regression analyses demonstrate the critical role that human capital development and organizational leadership play in influencing Dashen Bank's competitiveness. Enhancing these areas is likely to have a direct, positive impact on the bank's overall competitiveness.

5.3 Recommendation

Based on the key points summarized in the conclusion, researcher would recommend the following for Dashen Bank.

- Dashen Bank should continue to invest in human capital and social capital management. It should maintain focus on talent management, employee development, and organizational culture initiatives to leverage the bank's human capital. Also, it should strengthen stakeholder engagement and brand building efforts to capitalize on the bank's social capital and reputation.
- Dashen Bank should improve operational efficiency, pricing, and product/service quality through streamline processes and enhance responsiveness to customer needs to improve operational efficiency. Reevaluate pricing and cost management practices to offer more competitive products and services. It should focus on enhancing the quality and competitiveness of Dashen Bank's offerings to better meet customer expectations.
- Dashen Bank should prioritize human capital and organizational leadership as key drivers of competitiveness by allocate resources and attention to further strengthening these areas, as the analyses demonstrate their critical importance. Ensure alignment between human capital, leadership, and overall organizational strategy to drive sustainable competitiveness.

References:

- Armstrong, M. (2010). *A Handbook of Human Resources Management (16th ed.)*. London: : Kogan.
- Au, A. A. (2015). Employee training needs and perceived value of training in the Pearl River Delta of China: A human capital development approach. *Journal of European Industrial Training*, 32(1), 19-31.
- Barnat, R. (2007). *The nature of strategy implementation*. . New York: : McGraw Hill.
- Barney, B. (2015). *Gaining and Sustaining Competitive Advantage:Third Edition*. Ohio.: Pearson Education.
- Breene, T. &. (2006). Going the distance: How the world's best companies achieve high performance. *The Journal of High- performance business*, No. 3.
- Chege, A. N. (2013). Strategies adopted by commercial banks in Kenya to manage service quality,. *Unpublished UoN Journal*.
- Chepkinyeng, C. (2014). *Effects of Task Identity on Employee Motivation: A Survey of Eldoret Polytechnic, Kenya*. Nairobi: European Journal of Business and Management.
- Cherian, J. &. (2013). Does effective leadership style drive financial performance of banks? Analysis in the context of UAE banking sector. *International Journal of Economics & Finance*, 5(7), 105-114.
- Clegg, S. R. (2016). *Strategy: theory and practice*. . UK:: Sage Publishers.
- Cristian-Liviu. (2013). Organizational culture and strategy: How does it work? An empirical research. *Annals of the University of Oradea, Economic Science Series*, , 22(1), 1690-1696.
- Elisabeth, T. (2021). Assessment of competitive strategy formulation and implementation practices of private bank in Ethiopia: in the case of United bank. . *Saint Mary Univesrity*.
- Geke, E. N. (2021). Strategic leadership and competitive advantage of commercial banks in Kenya. *university of Nairobi*.
- Gliem, J. A. (2015). Calculating, Interpreting, and Reporting Cronbach's Alpha Reliability Coefficient for Likert-Type Scales. *Journal of Behavioural Economics, Finance, Entrepreneurship, Accounting and Transport.*, Vol. 3 No. 3, 96-109.
- Guimaraes, T. B. (2010). Empirically testing some major factors for bank innovation success. . *Journal of Performance Management.*, 23(2), 34-46.
- Hitt. (2007). *Strategic management: Competitiveness and globalization (11th eds.)*. Ohio:: Thomson/South Western.
- Hitt. (2010). *Competitiveness And Globalization*. (8th ed.). Strategic Management: Concepts & Cases.
- Hoskisson, R. E. (2010). *Strategic Management: Concepts & Cases Competitiveness and Globalization*. *Wall Street Journal (8th ed.)*. Canada:: South-Western.
- Jensen, R. J. (2023). *Strategic Management: Concepts and Cases*. New Jersey, USA: John Wiley & Sons.
- Johnson, G. &. (2012). *Exploring Corporate Strategy (6th Ed.)*. . Prentice Hall.
- Katee, E. N. (2013). Effect of strategic leadership on the performance of commercial and financial state corporations in kenya. *Unpublished journal (UoN)*.

- Kjelin, E. (2009). A Concept Analysis for Strategic Leadership. . *EBS Review*, No. 26, 37- 57.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques (2nd revised edition)*. New Delhi:: New Age International Publisher.
- Masungu, T. W. (2015). Effect of strategic leadership on the performance of devolved government system in Kakamega County, Kenya. *European Journal of Business and Management*, 7(13), 327-338.
- Matthews, G. (2020). *The Trait Approach: History and Approaches to Personality*. Cambridge University Press.
- McConnell, P. (2013). Strategic risk: The beanstalk syndrome. *Journal of Risk Management in Financial Institutions*, , 6(3), 229-252.
- Micheal, M. (2021). The effect of Strategic leadership on organizational innovation: in the case of selected digital tech firms in Ethiopia . *Addis Ababa University*.
- Mohajan, H. (2015). Planetary Boundaries Must not be Crossed for the Survival of Humanity, . *Journal of Environmental Treatment Techniques*, , 3(4): 184–200.
- Monte, N. j. (2017). Effect of strategic leadership on the performance of commercial banks in Kenya. university of Nairobi.
- Nyamu, A. W. (2017). The effect of strategic leadership on the competitiveness of commercial banks in Kenya." University of Nairobi.
- Omar, R. M. (2014). The Role of Strategic Leadership in Building Sustainable Competitive Advantage in the Academic Environment. *Journal of social and behavioral sciences*, , 129: 289-296.
- Omweri, R. M. (2021). Strategic Innovations on Operational Performance of ABSA Bank Kenya PLC. *Doctoral dissertation, University of Nairobi*.
- Paul, S. A.-W. (2002). Social Capital: Prospects for a New Concept:The Academy of Management Review. *JSTOR*, Vol. 27, No. 1, pp. 17-40 (24 pages).
- Pazireh, M. A. (2014). Evaluation the Role of strategic Leadership in Organizational Performance. *Universal Journal of Management and Social Science*, Vol 4, No. 9.
- Pearce, J. &. (2016). *Strategic Management; Formulation Implementation and Control*. U.S.A.: McGraw-Hill Irwin .
- Rahmayati, R. (2021). Competition Strategy In The Islamic Banking Industry: An Empirical Review. *International Journal Of Business Economics, And Social Development*, 2(2), 65-71.
- Rumsey. (2013). *The Oxford Handbook of Leadership (1st ed.)*. New Yorke:: OUP USA.
- Schiano, A. N. (2020). Consumer perception of the sustainability of dairy products and plant-based dairy alternatives. *Journal of dairy science*, 103(12), 11228-11243.
- Syapsan. (2019). The effect of service quality, innovation towards competitive advantages and sustainable economic growth: Marketing mix strategy as a mediating variable. *An International Journal*, 26(4), 1336-1356.

Appendix I:

Questionnaire

**Addis Ababa University
College of Business and Economics
School of Commerce
Department of Business Administration**

Dear Respondents: -

This questionnaire is designed specifically to carryout study on the “THE EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL COMPETITIVENESS: IN THE CASE OF DASHEN BANK S.C”. The objective of this study is to assess the effect of strategic leadership on the organizational competitiveness in the case of Dashen Bank S.C. In an attempt to conduct the research, I kindly request you to complete this questionnaire in an honest manner. All responses will be treated as confidential and anonymous.

General Instructions

- There is no need of writing your name.
- In all cases where answer options are available, please tick (√) in the appropriate box.
- For question that demands your opinion, please try to honestly describe as per the question on the space provided

(The Researcher)

Part I: Background information

1. Gender

1) Male 2) Female

2. Age

1) 21-30 2) 31-40 3) 41 and above

3. Level of education

1) Below high school 4) B.A Degree
2) Certificate 5) M.A Degree
3) Diploma 6) Ph.D and Above

4. Work experience at Dashen Bank S.C. in years

1) Less than 5 2) 6-10 3) 11-15 4) 16-20 5) above 20

Part II: Basic Questions (Adapted)

For each of the statements below, put tick (✓) mark in the table that indicates the degree to which you agree and disagree and give your immediate impressions. Therefore, the extent to which you agree/disagree with the following statements by using a five-point likert scale of 1 to 5. Key:

1= Strongly Disagree, 2= Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

| S/No | Statements | Scales | | | | |
|------|---|----------|----------|----------|----------|----------|
| | | 1 | 2 | 3 | 4 | 5 |
| | A) Human Capital Development | | | | | |
| 1. | The competitiveness of an organization lies in its ability to effectively manage its human capital and social capital. | | | | | |
| 2. | To enhance competitiveness, leaders must grasp the firm's social capital both internally and externally. | | | | | |
| 3. | Developing human capital within an organization drives individual performance improvement. | | | | | |
| 4. | Human capital development strategies should align with the firm's competitive business environment. | | | | | |
| 5. | Effective human capital development motivates employees to work productively through uncertain and turbulent business conditions. | | | | | |
| | B) Organizational Leadership Style | 1 | 2 | 3 | 4 | 5 |
| 6. | The organization considers the importance of adopting an effective leadership style in enhancing its competitiveness. | | | | | |
| 7. | Effective strategic leadership style encapsulates managers within all levels of management of the firm. | | | | | |
| 8. | Aligning leadership style to the unpredictable environment boosts organizational effectiveness and competitiveness. | | | | | |
| 9. | Effective leadership style enhances organizational competitiveness by improving employee commitment. | | | | | |

Interview Checklist

1. What is the effect of human capital development on organizational competitiveness in the case of Dashen Bank S.C?

2. What is the effect of organizational leadership style on organizational competitiveness in the case of Dashen Bank S.C?

3. What is the relationship between strategic leadership and organizational competitiveness in the case of Dashen Bank S.C?
