



Seek Wisdom, Elevate your Intellect and Serve Humanity

Addis Ababa University

አዲስ አበባ ዩኒቨርሲቲ

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
MASTERS OF BUSINESS ADMINISTRATION PROGRAM**

**THE MEDIATING ROLE OF LEADERSHIP COMPETENCY
AND INNOVATION PERFORMANCE IN THE RELATIONSHIP
BETWEEN ORGANIZATIONAL CULTURE AND ORGANIZATIONAL
PERFORMANCE OF PUBLIC INSTITUTION IN ADDIS ABEBA**

**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTERS IN BUSINESS
ADMINISTRATION (MBA)**

**BY
TSEGAYE BEDASO**

**JUNE 2021
ADDIS ABABA**

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

**THE MEDIATING ROLE OF LEADERSHIP COMPETENCY
AND INNOVATION PERFORMANCE IN THE RELATIONSHIP
BETWEEN ORGANIZATIONAL CULTURE AND ORGANIZATIONAL
PERFORMANCE OF PUBLIC INSTITUTION IN ADDIS ABEBA**
BY
TSEGAYE BEDASO

APPROVED BY BOARD OF EXAMINERS

CHAIR MAN, DEPARTMENT

SIGNATURE

ADVISOR

SIGNATURE

EXTERNAL EXAMINER

SIGNATURE

INTERNAL EXAMINER

SIGNATURE

STATEMENT OF DECLARATION

I, Ms. Tsegaye Bedaso, declare that the thesis entitled “examines the relationship between organizational culture, leadership competency, innovation and organizational performance: the Case of selected five Public Institutions in the Addis Ababa City of Ethiopia” is the result of my hard work. I have conducted the thesis independently with the guidance and support of the research advisor Yitbarek Takele Bayiley (Ph.D., MBA, MA Econ). The research has not been submitted to any other university for the award of a degree. It is submitted to Addis Ababa University's College of Business and Economics as partial fulfillment of the requirements for the Master of Science in Management degree.

Name: Tsegaye Bedaso

Signature: _____

Date: _____

STATEMENT OF CERTIFICATION

Certified that the dissertation entitled “examines the relationship between organizational culture, leadership competency, innovation and organizational performance: the Case of selected five Public Institutions in the Addis Ababa City of Ethiopia” submitted by Ms. Tsegaye Bedaso, thesis is his work and has been done under my supervision. It is recommended that this dissertation be placed before the examiner for evaluation.

Name Yitbarek Takele Bayiley (PhD, MBA, MA Econ)

(Signature of the Academic Supervisor) _____

Acknowledgment

My sincere thanks to my advisor Dr. Yitbarek Takele Bayiley for his valuable advice and constructive comments and the time he availed until the finalization of this paper.

My thanks were also extended to Ms. Yaynemisa Tkele for her support and encouragement.

All my family members do have their shares in this work; they were continuously praying, helping, and encouraging me throughout working the paper.

I am extremely grateful to the institutions, respondents, and officials who contributed significantly to the study by completing questionnaires.

Finally, I would like to thank the authors of the secondary source literature from which I derived the thesis content.

Acronyms

SPSS	Statistical Package for Social Science
VIF	Variance Inflation Factor
CISL	Cambridge Institute for Sustainability Leadership
OCAI	organizational culture assessing instruments
CSA	Central Statistical Authority
AMOS	Analysis of Moment Structures
AVE	Average Variance Extracted
CSA	Central Statistics Agency
EFA	Exploratory Factor Analysis
OC	Organizational culture
OP	Organizational Performance
CC	Clan culture
AC	Adhocracy culture
MC	Marketing culture
LC	Leadership competency
SI	service innovation
PCA	Principal component analysis
PCFI	Parsimony Fit Indice
SEM	Structural Equation Modeling
VIF	Variance Inflation Factor Analysis

Table of Contents

Content	Page
Acknowledgment	i
Table of Contents	iii
List of Table	vii
List of Figure	viii
Abstract	ix
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of the Study	1
1.2. Statement of the Problem	4
1.3. Research Question	5
1.4. Objectives of the Study	5
1.4.1. General Objective	5
1.4.2. Specific Objective	5
1.5. Definition of Terms	6
1.6. Delimitation of the Study	7
1.7. Limitations of the Study	7
1.8. Significance of the Study	7
1.9. Organization of the Paper	8
CHAPTER TWO	9
LITERATURE REVIEW	9
2.1. Conceptual Definitions	9
2.1.1. Organizational Culture	9
2.1.2. Leadership	13
2.1.2.1. Leadership Competencies	14
2.1.3. Innovation performance	17
2.1.4. Organizational Performance	17
2.2. Theoretical Literature Review	17
2.2.1. Organizational Culture	17
2.2.2. Leadership	23

2.2.2.1. Traits Theory.....	23
2.2.2.2. The Skills Approach.....	24
2.2.2.3. Behavioral Theory.....	26
2.2.2.4. The Situational Leadership Theory	27
2.2.2.5. Path-goal Theory	28
2.2.2.6. LMX theory.....	30
2.2.2.7. Transformational Leadership Theory.....	31
2.2.2.8. Authentic Leadership Approach.....	32
2.2.2.9. Servant Leadership Approach	33
2.2.2.10. Adaptive Leadership Approach.....	34
2.2.3. Organizational Culture and Leadership.....	36
2.2.4. Organizational Culture and Innovation	36
2.2.5. Organizational Culture and Performance	37
2.2.6. Leadership and Innovation	37
2.2.7. Leadership and Performance	38
2.2.8. Innovation and Organizational Performance.....	38
2.3 Empirical Studies	38
2.3.1 The Relationship Between Organizational Culture, Leadership Competency, Innovation performance and Organizational Performance.....	38
2.3.2 Leadership Competency and Innovation performance.....	39
2.3.3 Leadership Competency and Organizational Performance	40
2.3.4 Innovation performance and Organizational Performance	40
2.3.5 Organizational Culture and Leadership Competency	40
CHAPTER THREE	44
METHODOLOGY	44
3.1 Introduction.....	44
3.2 Description and Selection of the Study Area	44
3.3 Research Approach	45
3.4 Research Design.....	45
3.5 Research Methods.....	46
3.6 Subject Selection.....	46
3.7 Research Instrument.....	48

3.7.1 Measurements of the Variables.....	48
3.7.2 Independent Variable.....	48
3.7.3 Dependent Variables.....	48
3.7.4 Mediating Variables.....	48
3.8 Reliability and Validity.....	49
3.8.1 Validity.....	49
3.9 Data Analysis.....	50
3.10 Ethical Consideration.....	50
CHAPTER FOUR.....	52
RESULTS AND DISCUSSIONS.....	52
4.1 Non response bias and response rate of respondents.....	52
4.2 Demographic Characteristics of Respondents.....	53
4.3 Data Analysis.....	54
4.3.1 Assessing the Sample Size.....	54
4.3.2 Assessing Common Method Bias.....	54
4.3.3 Assessing Missing Data.....	55
4.3.4 Assessing outliers.....	56
4.3.5 Assessing Linearity Assumption.....	56
4.3.6 Assessing Multi-collinearity Assumption.....	57
4.3.7 Assessing Normality Assumption.....	58
4.4 Factor analysis.....	58
4.4.1 Exploratory Factor Analysis (EFA).....	59
4.4.1.1 Factor Extraction.....	59
4.4.1.2 Communality.....	60
4.4.1.3 Total Variance Explained.....	61
4.4.1.4 Factor Rotation.....	61
4.4.2 Confirmatory Factor Analysis (CFA).....	63
4.4.2.1 Measurement model.....	64
4.4.2.1.1 Construct validity.....	64
4.4.2.1.2 Convergent Validity.....	65
4.4.2.1.3 Discriminant validity.....	65

4.4.2.1.4 Nomological validity.....	65
4.4.2.1.5 Goodness of fit.....	66
4.4.2.1.5.1 Absolute fit indices	66
4.4.2.1.5.2 Incremental fit indices.....	67
4.4.2.1.5.3 Parsimony fit indices.....	68
4.5 Final reliability.....	71
4.6 STRUCTURAL MODEL	72
4.6.1 Proposed model with mediating variable.....	72
4.6.2 Proposed model without mediating variables	74
4.7 Hypothesis Testing.....	74
4.7.1 Discussion of empirical findings.....	75
4.7.1.1 Organizational culture.....	75
4.7.1.2 Mediating role of leadership competency and innovation performance.....	76
Table 4.14(b) indirect effects of innovation performance	77
CHAPTER FIVE	80
5.1. Summary of findings.....	80
5.2. Conclusions.....	81
5.3. Recommendation	82
5.4. Limitations and Future Research	84
5.5. Practical Implications.....	86
Reference	87
Appendices.....	92

List of Table

Title	Page
Table 2.1. The general theories of leadership	14
Table 2.2: Executive Core Qualifications	15
Table 3.1 Sample Size.....	47
Table 3.2. Reliability statistics for the measures employed in pallet test	49
Table 4.1: Demographic characteristics of respondents	53
Table 4.2 collinearity statistics	57
Table 4.3 Normality Test Skewness and Kurtosis	58
Table 4.4 KMO and Bartlett's Test	60
Table 4.5 rotated component matrix	62
Table 4.6 Proposed latent variables and indicators.....	68
Table 4.7 goodness of fit for model 2.....	70
Table 4.8 Cronbach alpha value of each variable	71
Table 4.9 the model fit for model 1, a model with mediating variable.....	73
Table 4.10 summery of hypothesis to be tested.....	75
Table 4.11 Result for hypothesis 1	75
Table 4.12 result for hypothesis 2.....	77
Table 4.13 indirect effects of mediating variables.....	77
Table 4.14 (a) indirect effects of leadership competency	77
Table 4.14(b) indirect effects of innovation performance	77
Table 4.15 indirect and direct effect of organizational culture on organizational performance...	79
Table 4.16 total effect of organizational culture on organizational performance.....	79

List of Figure

Title	Page
Figure 2.1: Competing Values Framework.....	18
Figure 2.2.: Conceptual Framework	43
Figure 4.1 the complete CFA model (model 2)	69
Figure 4.2 structural model	72
Figure 4.3 model for the two mediating variables	76

Abstract

This study investigated the mediating role of Leadership competency and Innovation performance in the relationship between Organizational culture and Organizational Performance five selected public institution in Addis Ababa. The research followed cross-sectional explanatory research design, quantitative approach, survey method and questionnaire was used as data collection instrument. The study employed exploratory factor analysis (EFA) through principal component analysis and structural equation modeling (SEM) to validate study results. Five (5) public institutions in Adiss Abeba city were purposefully chosen to represent different service delivery sectors in public administration proportional stratified sampling was used, and 295 respondents were chosen at random. 257 usable responses were collected. The analysis result showed organizational culture has a direct and indirect effect on the outcome variable. The finding indicated that leadership competency and innovation performance each play a complementary mediation role. Finally, the independent analysis indicated Organizational culture dimensions has a positive and significant relationship with Organizational performance except clan culture. The research concludes public institution in Addis Ababa shall primarily focus on leadership competency and then on innovation performance. And also recommend that an innovative culture should be linked with a more flexible and incremental approach to implementation to achieve better performance

Key words: Clan culture, Marketing culture, Adhocarcy culture, Hierarchy culture and service innovation.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Nowadays, many public sector organizations face inefficient and ineffective provision of public services, so they are willing to change their management style (Lykke Margot Ricard, Erik Hans Klijn, 2017)). Organizational culture directly impacts the design and implementation of the performance measurement system as well as the success or failure of its usage (Taticchi et al., 2010). The culture of every organization and its environment plays several roles, such as stimulating performance and “successfulness”. Therefore, to successfully manage performance, it is imperative to build a suitable organizational culture. The essence of organizations revolves around the development of shared meanings, beliefs, values and assumptions that guide and are reinforced by organizational behavior. These shared meanings, values and assumptions represent organizational culture.

Different definitions have been given for the term organizational culture so far. (Schein, 2004) defined organizational culture as “a pattern of basic assumptions invented, discovered and developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid and is therefore taught to new members as the correct way to perceive, think about, and feel in relation to those problems. Organizational culture is viewed as the unique pattern of shared values, norms, attitudes, beliefs, rituals, socialization, expectations, collective programming of the mind and assumptions of the employees in the organization that shape the socialization activities, language, symbols, rites and ceremonies of a group of people and which distinguish the members of one organization from another (Manxhari, 2017). The authors also indicated as “culture may exist across an entire organization, or it may refer to the environment within a single division, branch, plant or department”.

The above definitions clearly show as organizational culture is a commonly shared practice in a particular organization in its daily operations which may affect organizational activities either positively or negatively since it is shared both by employees and the public at large. Hence, the complete knowledge and awareness of organizational culture will help to improve the ability to

examine the behavior of organization which assists to manage and lead the organizational activities. In connection with this, O'Reilly (1991) as cited in Nakamya (2011) stated the importance of having clarity on what is meant by the term organizational culture, if it is to be analyzed and managed, even though the concept is difficult to define.

Different literatures have identified different dimensions and types of organizational cultures those are inherent to both public and private. The absence and presences of all these have different effects on organizational efficiency and effectiveness in the processes of delivering the intended goods and services based on their degree of intensity. According to the study of Greenberg and Brown (2003), organizational culture influences an individual and organizational process by generating strong pressures on employees to go along with and to think and act in a way that is consistent with the existing organizational culture. The influences can either lead to enhance employee commitment and promote organizational success or hinder its effectiveness (Schein, 2004). This is the clear indications of strong relationships between organizational culture and organizational performances in the processes of providing the intended goods and services for the targeted customers. Whenever the performances of organizations are affected, it is true that the fillings of customers will be affected since the final resting points of organizational activities are on the shoulders of the customers. This influence is mostly significant in service rendering organizations because of the underlying characteristics of service.

Service can be defined as any intangible act or performance that one party offers to another that does not result in the ownership of anything (Kotler & Keller, 2009). Service as overall activities that is undertaken to meet social needs is highly sensitive to the prevailing organizational culture. This influence is mostly high in the case of public sector because of its behavior.

Services have different characteristics which determine the effectiveness and efficiency of the concerned organizations which finally determines the customer satisfactions. Understanding these characteristics is a determinant factor for the successfulness of any service providing organization in handling their customer interest. In response to this, all service providing agents are expected to investigate the status of their services in order to meet the pre-determined objectives since organizational activities are highly influenced by environmental factors either from the internal or external.

Considering the significance of service sectors, Ethiopian government introduced civil services reform which contains five basic pillars under the coordination of the then Ministry of Capacity Building (Tesfaye, 2009). Accordingly, the government recognized the importance of improving the performance of public service delivery and the creation of accountable and responsible civil service institutions that would support the development endeavors in the country few years after the downfall of the military government.

Service delivery is one among these five pillars of the reform with the overall intensions of improving public sectors performance in the processes of delivering service for the intended customers. Six projects were there under the umbrella of Service delivery Sub- Program [which includes] development of service delivery policy, grievance handling directives, award system in the civil service, methods integration of related public service (center links), and preparation of technical directives for improving civil service delivery and service delivery standard directives (Aklilu et.al, 2018). However, the implementation status of the aforementioned sub-programs is below the expectation. This attributes to many factors like too much focus on technical aspects, rather than changing attitude of the workforce, impulsive start of implementation, and lack of committed political leadership .

As it is clearly stated in article 50/1&4 and article 78/1 of the FDRE constitution of 1995, the country has the three tier system that involves the federal, regional and local levels of government, and each sphere is separated with its own powers and functions. It also made clear references and justifications in favor of the decentralization process, pledging to grant adequate power to the lowest units of government. In this manner Sub City took the positions of local governance from which basic goods and services are provided for the concerned portion of society in collaboration with other stakeholders through the decentralized manners which is expected to facilitate better service provisions for society. Accordingly, each and every Sub City has its own administrative wings and sectors to accomplish the intended objectives as per its necessities.

Despite the government efforts to improve service delivery through decentralized approach, there are still different challenges standing as inhibiting factors to the performance of public administrations. In doing so, sub cities, activities will not escape from the influencing factors like service related organizational culture in the processes of service provisions considering culture as

how things are done around here as the definition given by Williams, Dobson and Walters(1994). These influences will finally affect the organizational performances and feelings of the customers towards the ongoing services. So this paper has tried to assess the effect of organizational culture on organizational performance through leadership competency and innovation performance in public institution.

1.2. Statement of the Problem

Organizational culture remains a major determinant factor for organizational efficiency and effectiveness in carrying out their activities. According to empirical findings in various literatures, organizational culture plays a great role on organizational effectiveness, employee commitment and performance, provisions of qualified service, organizational productivity, job satisfactions, etc. For instance, Sokro (2012) undertook the analysis of the existing relationship between organizational culture, motivation and performance and believes that organizational culture can either encourage an employee to give out his best for the sake of organizational goals or it can discourage or demoralize people which can be dangerous for the performance of the organization. In his study, it is indicated that the effects of organizational culture is a common practice in every organization since each and every organization has unique organizational culture though there can be differences by the degree of its influences.

When we come to Ethiopian, attempts have been made to provide efficient and effective public services under different circumstances to achieve customers' satisfaction while the issue of service delivery is becoming a global concern that demands continuous reform to cope up with unstable environment and the ever changing of customer needs. That is the reason behind different endeavors to provide efficient and effective public services in different circumstances to bring customers delight in the country.

Believing the significant role of organizational culture in the processes of service delivery, the intension of this paper is to investigate the effect of organizational culture on organizational performance through leadership competency and innovation performance in public sector. In this sector practical problems are highly reflected in connection with respecting customers interest and job ethics, transparency, team work and readiness for change, accountability and provisions of qualified services even though these are cited as values of the sector.

Delay in service delivery is also a great problem in this sector though the sector is mandated to give timely services for the customers. There is also a critical lack of empathy in the processes of service provision which deteriorate customer satisfaction. In this study, the researcher tried to investigate the level of both internal and external customer satisfaction towards the prevailing organizational culture of public sectors.

1.3. Research Question

The central question of this study is as follows:-

1. What is the effect of organizational culture on organizational performance of public institution in Addis Abeba?
2. Does leadership competency mediates the relationship between organizational culture and organization performance of public institution in Addis Abeba?
3. Does innovation performance mediates the relationship between organizational culture and organizational performance of public institution in Addis Abeba?

1.4. Objectives of the Study

1.4.1. General Objective

The general objective of this thesis is to examines the effect of organizational culture on organizational performance in the case of selected Public institutions in Addis Ababa city of Ethiopia.and the mediating role of leadership competency and innovation performance. In addition to this, to suggest possible policy actions for the improvement of organizational performance

1.4.2. Specific Objective

To examine the effect of organizational culture on organizational performance

- To investigate the effect of the organizational culture on organizational performance in the case of selected Public institutions in Addis Ababa city of Ethiopia.
- To examine the mediating role of leadership competency and innovation performance between organizational culture and organizational Performance

- To recommend solutions that can help improve organizational performance in the Public institutions in Addis Ababa city of Ethiopia.

1.5. Definition of Terms

Organizational culture is the property of a group, and it is a powerful, latent, and often unconscious set of forces that determine both individual and collective behavior, ways of perception, patterns of thought, and values.

Leadership is a communication process (verbal and non-verbal) that involves coaching, motivating/inspiring, guiding/guiding, and supporting/advising others, resulting in the timely achievement of predetermined organizational objectives.

Leadership competencies are the capacity of a person to apply what they've learned in dynamic situations to effectively execute a work process.

Social Skills Leadership Competencies includes effectiveness in leading change and becoming a change driver, strategic leadership, developing others, conflict management, experience in creating and leading teams, teamwork and cooperation, communication and listening skills, persuasiveness and ability to influence, building bonds and seeking common ground for all types of people

Social Awareness Leadership Competencies are found in the leader's character, decision-making process, mindset, set of values and principles upon which he bases his decisions, and courage to make ethical decisions in difficult situations.

Self-management Leadership Competencies is encompassing knowledge, expertise, skills, personal and behavioral characteristics, beliefs, motives, and values.

Self-awareness Leadership Competencies should be tailored to the specific demands of the situation, the specific needs of the people involved, and the specific challenges confronting the organization.

Innovation includes both technological improvements and improved methods or ways of doing things. It can manifest itself in product changes, process changes, new marketing approaches, and new forms of distribution, and new concepts of scope.

Organizational innovation is the development of a valuable, useful new product, service idea, process, or process by individuals working together in a complex social system.

1.6. Delimitation of the Study

The research would be conducted with the following delimitation:-

The theoretical aspect of organizational culture goes across several disciplines since it is, a multidisciplinary study. The concept of organizational culture includes broad elements like artifacts, values and assumptions of the concerned organizations. For the purpose of this study, organizational culture is defined as how things are done around the concerned organization in relation to service provisions. As a result, this paper is delimited to investigate the effect of the prevailing organizational culture on organizational performance through leadership competency and innovation performance on provisions of services in the public institution. Even though different categories of organizational cultures are developed by different researchers and authors, this study will try to depend on the dimensions of organizational culture indicated by Cameron and Quinn, (2006). These authors have identified four dimensions which can be used to analyze the culture of one particular organization. This study since these dimensions are more compatible to study Ethiopian public services.

The study is also delimited only to five public institutions even though the Addis Ababa city has 11 sub-city since it is difficult to see every sector's organizational culture and its effect on organizational performance due to the presence of different constraints.

1.7. Limitations of the Study

As this research involved only four sub-city organizations and one wereda in Addis Ababa, the findings may not be generalized confidently or used by other organizations. In addition, research would only be conducted using a quantitative method, which would also lack final results.

1.8. Significance of the Study

Organizational culture plays significant roles in provisions of goods and services. Therefore, studying its effects on decision making has meaningful importance as it helps in realizing the extent to which organizational culture influence the efficiency and effectiveness of an

organization. Every research should have something to contribute since a lot of time, money and above all human energy is exerted to do it. Therefore, this research is expected to have the following significances.

The public sector officials through the research's output can get important information concerning the effects of organizational culture on customer satisfaction. This will inspire them to deal with their weaknesses and strengths in the provisions of services in the Addis Abeba city.

Findings from this research can also assist to the interest of researchers for further investigation of the various aspects of problems which are not fully addressed by this particular study. Accordingly, the study is expected to be a bench mark for the upcoming research investigations. Concerned bodies having interest in the sector can also use the research findings as input in their decision making processes.

1.9. Organization of the Paper

The research chapters are as follows: the first chapter deals with the general introduction; it contains the background to the study, the problem statement, the research objectives and questions, the significance of the study, the scope and limitation of the study, and the organization of the study. While chapter two deals with the literature review and chapter three includes research methodology with detailed research design components, sample size and sampling procedures, data sources, and data collection and data analysis methods are presented.

CHAPTER TWO

LITERATURE REVIEW

This section describes the dependent and independent variables studied in this research, namely organizational culture and organizational performance. Furthermore, leadership competency and organizational performance are discussed as mediators of organizational culture. A conceptual model is presented at the end of the section.

2.1. Conceptual Definitions

2.1.1. Organizational Culture

It has widely studied and developed the term organizational culture. By using their own words, various writers have described organizational culture. Some of the meanings are explained as follows:-Organizational culture, defined as a group, has learned to solve its external adaptation and internal integration issues as a pattern of shared fundamental assumptions that have proven to be effective enough to be taught to new members as the best way to view, think, and feel about these issues. (Schein, 2010) According to Schein's definition, The word organizational culture is so broad and the underlying assumptions are that the company's employees learn to resolve external issues and internal integration. Culture is also a concept that is socially constructed; culture is a human product and is transmitted by individuals belonging to different communities. Different groups establish various cultures, but culture is not determined by human nature (Mats Alvesson and Stefan Sveningsson, 2016). The pattern of shared values, opinions, and assumptions is known to be the appropriate way of thinking and behaving within an organization, in addition to organizational culture. (Robbins & Coulter, 2002) Culture is characterized as the beliefs, principles, laws, norms, symbols, and practices common to a community of people that are learned. It is these collective characteristics of a group that make them unique.

According to the description of (Schein, 2010) the concept of culture implies structural stability, depth, breadth, and patterning or integration.

Structural Stability

Culture means that the group has some degree of structural stability. When we claim something is "cultural," we're implying that it is not only communicated, but also stable because it determines a collective. It is our major stabilizing force after we acquire a sense of collective identity, which is a core component of the community, and it cannot be easily abandoned. And when certain members of the organization leave, the culture of the organization persists. Culture is difficult to alter since members of culture value continuity as a source of significance and predictability. (Schein, 2010)

Depth

Culture is the most essential, often unconscious, aspect of society, and as a result, it is less tangible and recognizable. Any of the previously mentioned definitions for describing culture may be considered embodiments of culture, but they are not the "essence" of what we mean by culture. It's worth noting that anything that's more deeply rooted still lends stability. (Schein, 2010)

Breadth

The third feature of culture is that once it has grown, It covers all aspects of a group's operations. Culture pervades an organization, influencing how it approaches its primary mission, its diverse environments, and its internal operations. While not all groups have cultures in this way, the definition implies that when we refer to a group's "culture," We are referring to the entire group. (Schein, 2010)

Patterning or Integration

The fourth characteristic Patterning or incorporation of the elements into a broader paradigm or "Gestalt" that binds together the different elements and exists at a deeper level is suggested by the principle of culture and further lends stability. Rituals, environment, beliefs, and attitudes all join together to form a cohesive whole, and this pattern or synthesis is at the heart of what we mean by "culture." (Schein, 2010)

The three major levels of cultural analysis

- i. Artifacts
 - ❖ Visible and feel able structures and processes
 - ❖ Observed behavior
- ii. Espoused Beliefs and Values
 - ❖ Ideals, goals, values, aspirations
 - ❖ Ideologies
 - ❖ Rationalizations
- iii. Basic Underlying Assumptions
 - ❖ Unconscious, taken-for-granted beliefs and values

Artifacts

At the surface is the level of artifacts, when you meet a new culture with an unfamiliar culture, you can see, hear, and experience a variety of things. The group's recognizable products, such as the architecture of its physical world, its vocabulary, its technology and products, its artistic works, its style, as expressed in clothes, manners of address, and emotional displays; and its myths and stories are all examples of artifacts. (Schein, 2010)

Espoused Beliefs and Values

All group learning, in the end, represents someone's original beliefs and values, his or her sense of what should be rather than what is. When a group is formed or is confronted with a new challenge, question, or problem, the first approach offered to address it represents some individual's beliefs about what is right or wrong, what will work or not work. Leaders or creators will be known as those who succeed in persuading the group to take a particular approach to the issue, but the group does not yet have any mutual experience because it has not yet taken a common action about whatever it is supposed to do. Whatever is proposed will only be perceived as what the leader wants. There is no common basis for deciding whether what the leader wishes would turn out to be true until the group has taken some joint action and witnessed the results of that action together. (Schein, 2010)

Basic Underlying Assumptions

When a problem-solving method consistently yields positive results, it becomes anticipated. What was once a theory based solely on a hunch or a value is increasingly being viewed as fact? We begin to assume that nature functions in this manner. In this sense, basic assumptions differ from what some anthropologists referred to as "dominant value orientations," in that dominant orientations represent the preferred solution among many basic alternatives, but all of the alternatives are still visible in the community, and any given member of the culture may act following the variant as well as dominant orientations at any given time. (Schein, 2010)

There are three kinds of organizations that exist in every society:

Coercive organizations: Since the person is a prisoner for physical or economic purposes, he or she must follow whatever rules the authorities enforce. Prisons, military academies and units, mental hospitals, religious educational organizations, and cults are only a few examples. In such organizations, the cultures that emerge typically generate powerful counter-cultures among the participants. (Schein, 2010)

Utilitarian organizations: The employee performs "a fair day's work for a fair day's pay" and thus follows all laws that are necessary for the organization's success. Business organizations of all kinds are examples. They also create countercultural norms, as has been observed in the majority of such organizations, so that workers can defend themselves from government exploitation.

Normative organizations: Since the organization's objectives are essentially the same as the person's goals, the individual contributes his or her contribution and embraces valid authority. Churches, political parties, non-profit organizations, hospitals, and colleges are all examples.

Typologies trying to capture cultural essences in organizations were first introduced by Harrison (1979) with four "types" based on their primary focus. Harrison's four types were:

Power oriented: Organizations dominated by charismatic/autocratic founders.

- Achievement-oriented: Organizations dominated by task results.
- Role oriented: Public bureaucracies.
- Support oriented: Nonprofit or religious organizations.

2.1.2. Leadership

Leadership is the manipulation of leaders and followers to achieve organizational goals through transformation. (Lussier and Achua, 2010) There is a discussion of the five primary concept elements. Influencing is the process by which a leader transmits ideas, gaining approval of them, and inspiring followers to embrace and adopt ideas through change.

Organizational objectives Successful leaders persuade their followers to consider a common vision that includes not only their interests but also the interests of the organization. Change is shaping and setting goals is about change. To respond to the rapidly evolving global climate, organizations need to change constantly.

Leadership is a process by which a person controls a group of people to achieve a common objective. (G.Northouse, 2016) A process suggests that it is not a characteristic of the leader, rather a transactional occurrence among the leader and the followers. The process means that followers are influenced and affected by a chief. Influence concerns how followers are influenced by the chief. Power is a prerequisite for leadership. Leadership does not occur without power. Groups are the framework in which management happens. Leadership means influencing a community of people who have a mutual goal. Leadership involves a commitment to shared priorities. Leaders focus their energy on people seeking to do something together.

Leadership can also imply a person's ability to control, inspire, and allow others to contribute to the efficacy and success of the organizations they are members of. (Den Hartog, D. et al. (1997), as cited by Kohler, 2014) defines leadership as a social influence process in which one person can engage the assistance and support of others to attain a social influence goal. (Chemers, M. (2000), as cited by Kohler, 2014) In the other hand, it is the process of influencing others to recognize and agree on what needs to be achieved and how to do it, and the process of fostering individual and collaborative efforts to attain common objectives. (Yukl, G. (2010), as cited by Kohler, 2014)

Table 2.1. The general theories of leadership

<i>Theory/school</i>	leadership <i>Description</i>	<i>References</i>
Trait school	Celebrates and studies exceptional those who are leaders to better appreciate their leadership achievements.	Stodgill, 1948; Tannenbaum and Schmidt, 1973; CEML, 2002; Harter, 2008
Behavioral or Styles school	Describes leadership in terms of people- and task-oriented approaches, implying that various combinations of these contribute to different leadership styles.	Lewin et al., 1939; Blake and Mouton, 1964, 1985; Kouzes and Posner, 1995
Situational or Context school	The role of background in influencing leaders' responses to be more partnership or mission motivated, authoritative or participatory is emphasized.	Hersey and Blanchard, 1969, 1974; Graeff, 1983
Contingency or Interactionist school	Proposes that the influence of leaders is influenced by a variety of factors (such as positional power), which in turn influences acceptable leadership styles.	Fiedler, 1967; House and Mitchell, 1974; Barbour, 2008
Transactional or Transformational school	Compares and contrasts leadership as a negotiated cost-benefit transaction and an appeal to self-transcendent ideals in achieving mutual objectives for the greater good.	Bass, 1974; Burns, 1978; Price, 2003

Source: CISL analysis

2.1.2.1. Leadership Competencies

The continued interest in leadership competencies is related to an emphasis on skills. Since competencies are acquired habits or skills, leadership programmers may teach or improve them. (Salaman, 2004 as cited by CISL, 2016)

Although there is no model template for leadership competencies, Table 2 shows the US Office of Personnel Management's competency structure, which is framed around five Executive Core Qualifications, each of which is accompanied by competencies (OPM, 2016 as cited by CISL, 2016).

Table 2.2: Executive Core Qualifications

<i>ECQ</i>	<i>Abilities</i>	<i>Competencies</i>
Leading change	To effect structural change both inside and external to the organization to achieve organizational objectives, including the ability to develop and execute an organizational vision in a constantly changing world.	Creativity and innovation are two words that come to mind when thinking about creativity and innovation. External, perception, and adaptability are all words that come to mind when thinking about external factors Continuity Imaginative strategy conceive
Leading people	To motivate people to achieve the organization's vision, purpose, and goals, including the opportunity to establish a welcoming atmosphere that encourages others' growth, promotes collaboration and teamwork and encourages constructive conflict resolution.	Managing conflict, Taking advantage of diversity Others' growth, Creating a team
Results-driven	To meet organizational priorities and consumer needs, including the ability to apply technological expertise, analyze challenges, and calculate risks decision-making that yield high-quality results.	Accountability, customer service, decisiveness, entrepreneurship, problem-solving, and technical credibility are only a few of the qualities that stand out.
Business acumen	To manage human, financial, and information resources strategically.	Financial management, Human capital management, Technology management
Building coalitions	To achieve shared goals, form coalitions within the federal government and with other federal agencies, state and local governments, non-profit and private sector organizations, foreign governments, and international organizations.	Collaboration, political savvy, and persuasion/negotiation

Source: OPM, 2016

A summary of the Leadership Competency Framework (Ruben, 2006 as cited by CISL, 2016):

- **Analytic Competencies.** The knowledge and skill required for being reflective, self-aware, compassionate, and sensitive to one's own and others' feelings and purposes is one category of factors frequently defined as essential to leadership efficacy. Clarifying situations and challenges, identifying stakeholder and system concerns, considering and choosing among

alternative solutions, and factoring applicable data and historical accounts into preparing and executing strategies and measuring outcomes are all examples of analytic competencies.

- **Personal Competencies.** Thematic areas that focus on an individual's personal qualities, such as cognitive capacity, energy, conviction, character, and the expression of values factors that typically contribute to one being respected and viewed as a role model by others because of their character, conviction, and high expectations are perhaps the most conventional and common.
- **Organizational Competencies.** Visioning, strategy formulation and implementation, information management, teamwork and empowerment, coaching, change, and crisis management, and a variety of administrative skills judged to be essential to an individual's leadership effectiveness in the group, organizational, and community environments of varying intent, function, and size are all included in this competency cluster.
- **Positional Competencies.** Subject-matter knowledge and skills considered essential for effective leadership within a particular field such as commerce, health care, sports, politics, religion, education, social work, or library administration are included in the competencies associated with this cluster. Contexts, work- or sector-specific education or training, background interactions, job familiarity, and organizational culture are all included in this group.
- **Communication Competencies.** This competency cluster encompasses the knowledge and skills needed for successful interpersonal, community, organizational, and public interactions, as well as message sending and receiving in several contexts and with a variety of individuals and groups. Establishing reputation and confidence, persuasion, interpersonal relations, and team-building are some of the specific communication dimensions.

2.1.3. Innovation performance

Both effectiveness and efficiency have been presented as the two important dimensions of organizational performance. Firms make important trade-off decisions in emphasizing either effectiveness or efficiency in their innovation strategy and may make similar trade-offs in their organizational culture. Differentiating the two dimensions of innovation performance could help understand the influence of the fit holistically, which differs from previous studies that focus either on a specific aspect of innovation performance or mix different aspects of performance at an aggregate level.(Chen et al., 2018)

In the innovation literature, scholars have proposed innovation speed and innovation quality to represent efficiency and effectiveness of innovation, respectively . Innovation speed is the important indicator of innovation efficiency, which presents the quickness of the organization to generate novel ideas, launch and develop new products, introduce new processes, and derive new problem-solving methods compared with key competitors .

(Chen et al., 2018) Innovation quality is the key indicator of innovation effectiveness, which reflects newness and creativity of new ideas, products, processes, practices, and management of the organization.

2.1.4. Organizational Performance

According to (Chen (2002), as cited by Karamat, 2013) Organizational performance means the transformation of inputs to outputs for certain outcomes to be achieved. The link between minimum and effective cost is informed by performance (economy), between effective cost and realized production (efficiency), and, in terms of content, between production and achieved consequence (effectiveness)

2.2. Theoretical Literature Review

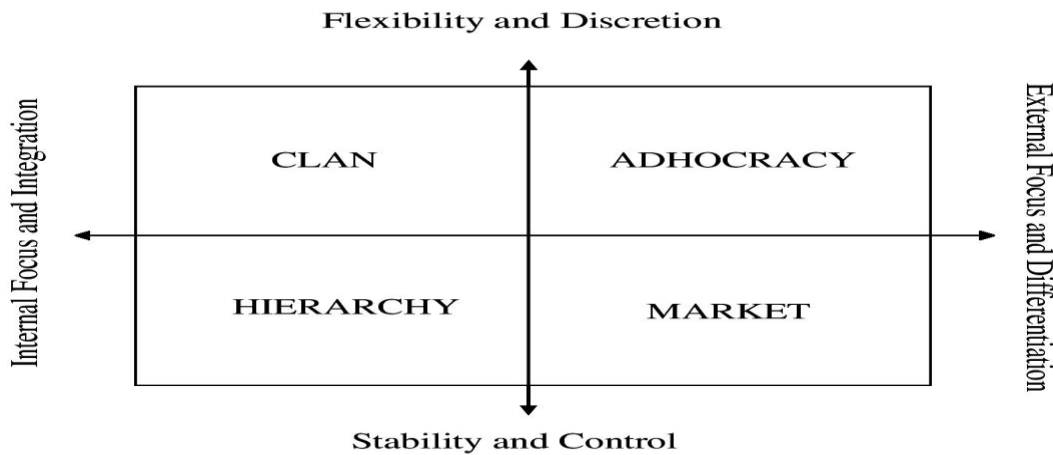
2.2.1. Organizational Culture

Cameron and Quinn, (2006) The Competing Values Framework were created as an outcome of research into the key measures of effective organizations.

These two dimensions combine to form four quadrants, each representing a unique set of organizational effectiveness indicators. Figure 2.1 depicts the relationships between these two

dimensions. These effectiveness indicators represent what people value about an organization's performance. They define what is considered good, right, and appropriate. To put it another way, the four clusters of criteria define the core values on which judgments about organizations are made.

Figure 2.1: Competing Values Framework



Source from Cameron and Quinn

These four essential principles are remarkable because they represent opposing or contrasting assumptions. Each continuum emphasizes a fundamental value that is opposed to the value on the other side of the spectrum — internal vs. external, flexibility vs. stability. Because of this, the dimensions produce quadrants that are also contradictory or compete on the diagonal. Values that emphasize the internal, organic emphasis, for example, are found in the upper-left quadrant, while externally emphasized values, focus management are found in the lower-right quadrant. Similarly, values in the upper-right quadrant emphasize an external, organic emphasis, while values in the lower-left quadrant emphasize internal, control parameters. The name of the Competing Values Framework comes from the competing or opposing values found in each quadrant. The most prominent characteristics of each quadrant in Figure 2.1 have been labeled — clan, adhocracy, market, and hierarchy. The Upper left is the clan quadrant, the upper right is the adhocracy quadrant, the lower left is the hierarchy quadrant, and the lower right is the market quadrant. It's important to remember that the names of the quadrants were not chosen at random. Rather, they were taken from academic research that describes how, over time; different organizational values have become associated with different forms of organizations. The four

quadrants that emerged from these studies precisely fit the key organizational types that have evolved in organizational science, we discovered. They also align with main management ideas regarding organizational performance, quality approaches, leadership positions, and management skills.

When used with business executives or nonacademic audiences, the quadrant labels — clan, adhocracy, market, and hierarchy — can be misleading. As a consequence, we also use verbs to brand each quadrant's main focus. The clan quadrant is additionally known as the collaborate quadrant, while the adhocracy quadrant is referred to as the build quadrant, the market quadrant is referred to as the compete for quadrant, and the hierarchy quadrant is referred to as the power quadrant. These verbs, in addition to the primary names for each quadrant, are included in Figure 2.1. Figure 2.1's dimensions and quadrants are effective in demonstrating the various orientations and conflicting principles that define human conduct. Based on the robustness of these dimensions and the richness of the resulting quadrants, we identified each quadrant as a cultural category. In other words, each quadrant reflects fundamental assumptions, orientations, and concepts, and values, the same components that make up organizational culture.

Cameron and Quinn (2011) Because of this, the OCAI is a tool that helps you to diagnose your own organization's dominant orientation using these core culture forms. It also aids you in determining the cultural intensity, form, and congruence of your organization.

Now examine each of the four cultural forms in depth.

The Hierarchy Culture

The first modern approach to organizing was inspired by the work of Max Weber, a German sociologist who researched government organizations in Europe in the early 1900s. Organizations faced a major challenge at the time of the twentieth century: producing products and services effectively for an ever-more-complex society Weber (1947) suggested seven characteristics that have come to be regarded as the classical virtues of bureaucracy: law, specialization, meritocracy, hierarchy, separate ownership, impersonality, and transparency to achieve this. These characteristics were extremely successful in achieving their goals, and they were widely implemented in organizations whose primary goal was to produce productive, dependable, smoothly flowing, and predictable production. In reality, until the 1960s, a substantial portion of management literature focused on establishing hierarchical or bureaucratic

organizations or bureaucracies because this resulted in stable, productive, and highly consistent products and services. Tasks and roles could be integrated and coordinated, uniformity of goods and services could be retained, and staff and employment could be controlled because the climate was relatively stable. The importance of clear lines of decision-making authority, uniform rules and procedures, and control and accountability processes was emphasized. A formalized and organized workplace characterizes the organizational culture consistent with this type (as measured by the OCAI). What people do is governed by procedures. Effective leaders are excellent organizers and coordinators. It is important to maintain a well-functioning organization. Stability, predictability, and performance are the organization's long-term issues. The group is held together by formal rules and policies.

A hierarchy culture pervades large corporations and government agencies, as demonstrated by a large number of structured processes, numerous hierarchical levels (Ford has seventeen levels of management), and a focus on rule enforcement.

The Market (Compete) Culture

As stated by Cameron and Quinn (2011) as businesses faced new competitive challenges in the late 1960s, another type of organization became common. These organizational experts described a different group of practices that they claimed were the cornerstone of organizational effectiveness. The most significant of these was the expense of transactions.

A market type of organization was coined to describe the new design. The word "market" is not interchangeable with "marketing" or "consumers" in the marketplace. Rather, it refers to a type of entity that performs the functions of a company. It is increasingly worried about the outside world than with internal matters. Suppliers, clients, vendors, licensees, associations, and regulators are among the (mostly) external constituencies targeted. In contrast to a hierarchy, where internal regulation is established by laws, specialized jobs, and centralized decisions, the market is largely regulated by economic market processes, competitive dynamics, and monetary exchange. That is, markets are primarily concerned with conducting transactions (exchanges, purchases, and contracts) with other stakeholders to gain a competitive advantage. Profitability, bottom-line performance, market niche power, stretch deadlines, and stable customer bases are the organization's primary goals. Competitiveness and efficiency are, unsurprisingly, the

fundamental principles that govern market-type organizations. Business companies gain competitiveness and growth by putting a heavy focus on external positioning and control.

The basic assumptions of a market culture are that the external world is aggressive rather than benevolent, that customers are picky and value-oriented, that the company is in the business of improving its competitive position, and that management's primary responsibility is to guide the organization toward efficiency, performance, and income. It is believed that having a clear goal and a bold plan would lead to increased efficiency and profitability.

According to the OCAI, A market culture is a results-oriented workplace. Leaders are tough, pushing tough and challenging producers and rivals. The company's focus on winning is the glue that holds it together. Competitive behavior and meet stretch goals and deadlines are long-term concerns. Market share and penetration are used to measure success. Market leadership and outpacing the competition are important.

The Clan (Collaborate) Culture

As stated by Cameron and Quinn (2011) the upper-left quadrant represents a third ideal type of organization. It is referred to as a clan because it resembles a family. Teamwork, employee involvement schemes, and corporate responsibility to workers were all common features of clan-type businesses. Semiautonomous work teams that were rewarded for collective (rather than individual) achievement and recruited and fired their members, quality circles that allowed staff to provide feedback about how to better their work and the company's results, and an inspiring atmosphere for employees were all examples of these characteristics. The world can best be handled through teamwork and employee growth, consumers are best thought of as allies, the company is in the business of creating a humane work environment, and management's main job is to inspire workers and promote their engagement, dedication, and loyalty are some of the basic assumptions in a clan culture.

The clan culture, as measured by the OCAI, is characterized by a welcoming workplace where people are willing to share a lot about themselves. It's like having a second family. Leaders are regarded as mentors and, in some cases, parents. Loyalty and tradition bind the company together. Commitment is high. The organization stresses the long-term benefits of individual growth, emphasizing the importance of high cohesion and morale. Internal environment and care

for people are used to describe success. The organization places a high value on collaboration, participation, and consensus.

The Adhocracy (Create) Culture

As stated by Cameron and Quinn (2011) A fourth ideal type of organization arose as the developing world transitioned from the industrial to the information age. It is an organizational type that is most sensitive to the hyper-turbulent, ever-accelerating conditions that increasingly characterize the twenty-first century's organizational environment. With product and service advantages having a steadily diminishing half-life, a set of assumptions was established that differed from those of the other three types of organization. These assumptions were that innovative and pioneering projects lead to growth, which companies are primarily in the business of creating new goods and services and planning for the future, and that management's primary responsibility is to encourage entrepreneurship, innovation, and cutting-edge activity. Since it was expected that adaptability and innovation would lead to new opportunities and profits, the focus was put on developing a future vision, organized chaos, and disciplined creativity.

The word adhocracy comes from the word ad hoc, which means temporary, skilled, and dynamic. The majority of people have been a member of an ad hoc task force or committee that disbands until its task is accomplished. Adhocracies are also transient. They've been dubbed "tents rather than palaces" because they can quickly reconfigure themselves as new situations arise. If complexity, ambiguity, and knowledge overload are common, an adhocracy's main goal is to promote adaptability, flexibility, and innovation.

In conclusion, according to the OCAI, the adhocracy culture is characterized by a competitive, entrepreneurial, and innovative workplace. People take chances and put their necks out there. Visionary, creative, and Risk-taking is a quality of effective leadership. Commitment to experimentation and Progress is the adhesive that holds the organization together. Being on the cutting edge of new knowledge, goods, and services is emphasized. It's important to be ready for change and new challenges. The organization's long-term focus is on rapid expansion and the acquisition of new capital. Producing new and original goods and services is the key to success.

2.2.2. Leadership

Leadership has been the most widely discussed component of organizational behavior internationally, and a range of hypotheses have arisen based on leadership techniques, characteristics, personalities, and situational approaches. As interest in the field of leadership grew, behavioral scientists and sociologists began to investigate the potential implications of leadership activities and the variables used to predict the leader's behaviors.

2.2.2.1. Traits Theory

Theories of leadership traits try to explain distinctive features accounting for the effectiveness of leadership. Researchers examined physical and psychological characteristics, or qualities, such as high energy level, appearance, aggressiveness, self-reliance, persuasiveness, and dominance, to identify a set of characteristics shared by all successful leaders. (G. Northouse, 2016)

The trait approach has its origins in leadership theory, which proposes that some individuals are born with unique characteristics that enable them to be outstanding leaders. Since it was thought that leaders and nonreaders could be distinguished by a universal collection of characteristics, scholars were challenged in the twentieth century to define the definitive traits of leaders.

Several major studies in the mid-twentieth century cast doubt on the basic assumption that leadership was characterized by a distinct collection of characteristics. Because of this, the focus turned to consider how circumstances and followers affect leadership. Rather than concentrating solely on the characteristics of leaders, researchers started to investigate their relationships with their surroundings. Recently, there have been indications that trait research has completed a full circle, with a renewed interest in focusing specifically on the essential leadership traits. Many personal characteristics have been studied over the years, and it is apparent that many qualities relate to leadership. Intelligence, self-confidence, ambition, honesty, and sociability are some of the essential traits that are consistently found in many of these studies. Furthermore, researchers have discovered a close connection between leadership and the five-factor personality model's traits. The characteristic most closely correlated with leadership was extraversion, accompanied by conscientiousness, openness, low neuroticism, and agreeableness. (G. Northouse, 2016)

Emotional intelligence and its connection to leadership have been the subject of recent studies. According to the findings of this study, leaders who are aware of their own emotions, as well as

the impact of their emotions on others, maybe more successful. On a practical level, the trait approach is concerned with what characteristics leaders have and who has these characteristics. Personality evaluation tools are used by companies to determine how people can fit into their organizations. Because it assists managers in assessing their strengths and weaknesses and gaining a better understanding of how they can strive, adapt, and improve their leadership, the trait approach is often used for personal knowledge and growth. (G. Northouse, 2016)

There are numerous advantages to approaching leadership from a trait perspective. To begin with, it is intuitively appealing because it simply plays into the common belief that leaders are unique individuals who are at the forefront of society, leading the way. Second, a significant amount of study backs up this viewpoint. Third, by focusing solely on the leader, the trait approach provides an in-depth understanding of the leader aspect in the leadership process. Finally, it has given some benchmarks by which people can assess their leadership abilities.

On the downside, the trait strategy hasn't yielded a conclusive list of leadership characteristics. The approach to assessing the traits of leaders has neglected to account for the effect of circumstances. Furthermore, the method has resulted in arbitrary lists of the most essential leadership characteristics, which are not always based on solid, credible research.

Furthermore, the trait approach has not worked adequately to relate leadership traits to other outcomes including group and team performance. Finally, since individuals' characteristics are essentially consistent and set and their traits are not amenable to improvement, this approach is not especially useful for leadership training and growth. (G. Northouse, 2016)

2.2.2.2. The Skills Approach

The skills approach is a leader-centered approach that focuses on leadership competencies.

Successful leadership is based on three basic personal skills: technological, human, and conceptual, according to the three-skill approach. While all three skills are critical for leaders, the relative value of each skill varies depending on the level of management. At lower management levels, technical and interpersonal skills are most important. The three distinct skills are equally essential for middle managers. Technical skills become less important at higher management levels, and intellectual and human skills become more important. When a leader's skills fit their management level, he or she has a better chance of succeeding.

The skills model was created in the 1990s to describe the capabilities (knowledge and skills) that enable successful leadership. This model delineated five components of successful leader performance: competencies, individual characteristics, leadership outcomes, job experiences, and environmental factors. It was much more complex than Katz's framework.

The model's core leader competencies are problem-solving abilities, social judgment abilities, and experience. Specific characteristics of the leader, such as general cognitive capacity, crystallized cognitive ability, motivation, and personality, have a direct impact on these competencies. The leader's competencies are often influenced by his or her work history and climate. The model proposes that a leader's basic competencies can explain successful problem solving and efficiency and that these competencies are influenced by the leader's strengths, experience, and environment. (G. Northouse, 2016)

From a skills viewpoint, there are many advantages of conceptualizing leadership. First, it is a leader-centered model that emphasizes the value of the leader's strengths while also emphasizing the importance of acquired skills in successful leadership. Second, the skills approach explains leadership in a way that all can understand. Anyone can learn and improve their skills. Third, the skills approach includes a detailed map that illustrates how to achieve successful leadership efficiency. Researchers may create complex plans for learning the leadership process based on the model. Finally, this strategy establishes a framework for leadership education and growth activities that incorporate creative thinking.

The skills solution has some disadvantages in addition to its advantages. First, the model's scope seems to stretch beyond the realm of leadership, encompassing topics such as dispute resolution, critical thinking, motivation theory, and personality theory. Second, the predictive value of the skills model is low. It doesn't clarify how a person's skills contribute to success.

Third, although the skills model tends to be a trait-based approach, human characteristics such as cognitive ability, motivation, and personality play a critical role in the model. Finally, since it was built using only data from military personnel, the skills model has limited general applicability. Once the model has been validated with different populations, such as small and large businesses, it cannot be used. (G. Northouse, 2016)

2.2.2.3. Behavioral Theory

Theories of behavioral leadership try to clarify the distinctive styles used by successful leaders or to define the nature of their work. The focus of behavioral research is to find ways to classify behavior that will make our understanding of leadership easier. (G. Northouse, 2016)

The behavioral approach to leadership differs significantly from the attribute and abilities approaches in that it focuses on rather than who they are, leaders are defined by what they do. It indicates that there are two kinds of behaviors that leaders participate in: mission behaviors and relationship behaviors. The core emphasis of the behavior analysis is on how leaders incorporate these two forms of behaviors to affect others.

The behavioral method is based on three lines of research: Ohio State University studies, University of Michigan studies, and Blake and Mouton's Managerial Grid work. The Leader Behavior Description Questionnaire (LBDQ) was created by Ohio State University researchers; it also identified structure initiation and consideration as critical leadership behaviors.

Similar results were found in the Michigan reports; however, the habits of leaders were referred to as development orientation and employee orientation. Much research has been conducted using the Ohio State and Michigan studies as a foundation to determine the best way for leaders to integrate mission and relationship behaviors. The aim has been to identify a collection of common leadership traits which can be used to describe leadership effectiveness in any circumstance. However, the findings of these attempts have been inconclusive. Researchers have struggled to pinpoint the right leadership style. (G. Northouse, 2016)

Blake and Mouton devised a realistic model for training managers that depicted leadership behaviors on a grid of two axes: outcomes and individuals. Five main leadership styles result from how leaders incorporate these orientations: authority-compliance (9.1), country-club management (1.9), impoverished management (1.1), middle-of-the-road management (5.5), and team management (9.9). The therapeutic strategy has several advantages and disadvantages. On the plus side, it has broadened the leadership field studies to include behavioral analysis. Second, it is a trustworthy strategy since it is backed up by several reports. Third, the behavioral approach is useful because it emphasizes the importance of mission and relationship as two central aspects of leadership action. Fourth, It's heuristic in nature because it provides us with a broad conceptual diagram to help us improve our understanding of our leadership behaviors.

On the downside, researchers haven't been able to link leaders' behaviors (task and relationship) to outcomes like morale, work satisfaction, or productivity. Furthermore, behavioral approach researchers have not been able to define a common set of leadership behaviors that reliably result in successful leadership. Finally, the behavioral approach suggests but does not completely endorse the notion that a high–high leadership style is the most successful (i.e., high task and high relationship). (G. Northouse, 2016)

Overall, the behavioral approach isn't a well-developed philosophy with a well-organized collection of prescriptions for successful leadership action. Rather, the behavioral approach offers a useful structure for evaluating leadership as a whole, including mission and relationship aspects. Finally, the behavioral approach reminds leaders that their influence is felt along a continuum.

2.2.2.4. The Situational Leadership Theory

Theories of Situational Leadership try to explain the appropriate style of leadership based on the leader, followers, and situation. The theory of contingency accentuates the importance of situational factors, including the nature of the work performed, the external environment, and the followers' characteristics. (G. Northouse, 2016)

Situational Leadership is a directive strategy to leadership that suggests how leaders can become successful in a wide range of organizational settings with a diverse set of goals. This method offers a blueprint for leaders to follow based on the requirements of a given situation.

S1 is high directive–low supportive, S2 is high directive–high supportive, S3 is low directive–high supportive, and S4 is low directive–low supportive, as stated by Situational Leadership II. The model demonstrates how each of the four leadership styles works affects followers at various levels of growth, “from D1 (low competence and high commitment) to D2 (low to some competence and low commitment), D3 (moderately competent but lacking commitment), and D4 (moderately competent but lacking commitment) (a great deal of competence and a high degree of commitment).”

When a leader accurately diagnoses the level of progress of followers in a given situation and then exhibits the prescribed leadership style that is appropriate for the situation, they are demonstrating effective leadership.

The situational approach has four main advantages. For starters, it is widely regarded as a gold standard for leadership growth. Second, it is a realistic solution that is simple to comprehend and implement. Third, if leaders want to improve their leadership effectiveness, this strategy lays out a simple collection of prescriptions for how they should behave. Fourth, Situational Leadership acknowledges and emphasizes that There is none one-size-fits-all approach to leadership; rather, leaders must be adaptable and versatile to meet the requirements of the situation.

Situational Leadership has been criticized for having weaknesses. Unlike several other leadership theories, this one lacks a substantial body of research to validate and endorse the theoretical foundations on which it is based. As a consequence, there's some confusion about how the strategy views those facets of leadership. It is unclear how followers progress from growing to mature stages, or how their engagement shifts over time. The relevance of the basic prescriptions for matching leaders' styles to followers' growth levels must be questioned when there are no basic research findings. Furthermore, the model does not take into account how demographic factors influence followers' leadership preferences. Finally, the model offers no guidance about how leaders should apply this strategy in community environments rather than one-on-one situations.

2.2.2.5. Path-goal Theory

As stated by Northouse, (2016) the path-goal theory was established, to understand how leaders inspire followers to be efficient and happy with their work. It is a precautionary measure to leadership since efficacy depends on the match between the actions of leader and followers' characteristics and the mission. The fundamental concepts of the Expectancy theory are the source of path-goal theory, which means that if they believe they are competent if they believe they will be rewarded, and if they consider the payoff to be important for their work, followers will be motivated. By choosing a leadership style (directive, encouraging, participative, or accomplishment-oriented) that provides what is lacking for followers in a specific work environment, a leader may benefit followers. In simple terms, by leading, guiding, and guiding them on their journey, the leader must help followers achieve their goals.

The path-goal theory was created to understand how leaders inspire their followers to be effective and happy at work. Because leadership effectiveness is determined by the match

between the leader's actions and the characteristics of followers and the mission, It is a leadership strategy based on contingency.

As stated by Northouse, (2016) According to the expectation theory, followers will be motivated if they are confident, if they believe that their efforts will be recognized, and if the payoff for their efforts is worthwhile. The fundamental concepts of the path-goal theory are derived from expectancy theory, which implies that followers will be motivated if they believe they are competent, if they believe that their efforts will be recognized, and if they consider the payoff for their efforts to be worthwhile. A leader may assist followers by choosing a leadership style (directive, encouraging, participative, or accomplishment-oriented) that provides what is lacking in a given work environment. Simply put, the leader's job is to help followers achieve their objectives by leading, guiding, and guiding them every step of the way.

As stated by Northouse, (2016) the path-goal theory predicts how a leader's style deals with the followers' requirements and the mission's essence. It predicts, among other things, that directive leadership works well with ambiguous tasks, when it comes to repetitive tasks, supportive leadership is effective, where tasks are ambiguous and followers are self-sufficient, participative leadership is efficient, and For difficult tasks, goal-oriented leadership works well.

There are three significant advantages to path-goal theory. For first, it offers a theoretical context for analyzing how directive, supportive, participative, and achievement-oriented leadership styles affect followers' efficiency and satisfaction. Second, the path-goal theory is unusual in that it incorporates expectancy theory's motivating concepts into a leadership theory. Third, it offers a useful model that emphasizes the critical ways in which leaders assist their followers.

On the negative hand, path-goal theory can be criticized in four ways. First, the path-goal theory includes so many interconnected sets of assumptions that applying it to a specific organizational environment is difficult. Second, current research results do not support a complete and clear image of the theory's arguments. In addition, the path-goal theory does not demonstrate how leader activities influence follower motivation levels. Finally, the path-goal theory focuses on the leader and ignores the interactional essence of leadership. It doesn't encourage followers to participate in the leadership process.

2.2.2.6. LMX theory

According to Northouse, (2016) LMX theory has been and continues to be a much-researched approach to leadership since it first emerged more than 30 years ago under the title "vertical dyad linkage (VDL) theory." Leadership, according to the LMX theory, is a mechanism based on Leaders and followers interact with one another. The leader-member partnership becomes the most important principle as a result of the leadership process.

The relationship of a leader about the entire work group was presented as a set of vertical dyads in the early stages of research of LMX theory, which were divided into two types: The leader's in-group consisted of dyads based on extended position relationships, while the leader's out-group consisted of dyads based on formal work descriptions. It's thought that followers join in-groups based on how well they get along in collaboration with the leader and whether or not they're able to take on more responsibilities. Out-group members are followers who only have structured hierarchical relationships with their leader. Out-group members receive standard work benefits while in-group members receive additional leverage, opportunities, and incentives.

Later research on the LMX theory focused on how leader-member exchanges influence organizational efficiency. Researchers discovered that high-quality leader-follower interaction resulted in numerous ways beneficial outcomes (e.g., less employee turnover, greater organizational commitment, and more promotions).

In general, researchers discovered that positive leader-member interactions make followers feel better, achieve more, and contribute to the organization's success. A subset of LMX research focuses on leadership development, emphasizing the significance of leaders developing high-quality interactions with their entire set of followers. A stranger phase, an acquaintance phase, and a mature relationship phase are all stages in the development of leadership. Followers progress through these three stages by taking on and performing new role roles. This allows them to form mature relationships with their leaders. These relationships, which are distinguished by a high level of confidence, respect, and responsibility, Individuals will benefit from the experience, and the organization will operate more efficiently.

According to Northouse, (2016) The LMX theory has several positive aspects. To begin, LMX theory is a powerful descriptive approach that describes how leaders use certain followers (in-group members) rather than others (out-group members) to efficiently achieve organizational

objectives. Second, unlike other approaches, LMX theory emphasizes the leader-member relationship as the central LMX Exclamation point of the process of leadership. LMX theory is notable in this regard because it emphasizes the importance of good communication in leader-member relationships. It also serves as a reminder to be just in your dealings our interactions with our followers. Finally, numerous studies have linked high-quality leader-member exchanges to positive organizational results, supporting the LMX theory.

As stated by Northouse, (2016) The LMX theory has some drawbacks as well. First, the early version of LMX theory (VDL theory) contradicts our workplace values of justice and fairness by implying that some members of the work unit are given preferential treatment while others are not. The perceived differences generated by using in-groups can have a devastating effect on out-group members' emotions, attitudes, and actions. Second, while LMX theory stresses the value of leader-member exchanges, it falls short of explaining how to create high-quality exchanges. While the model encourages relationships to be built on trust, respect, and dedication, it does not thoroughly explain how this is done. Third, the contextual factors that affect LMX relationships have not been adequately clarified by researchers.

2.2.2.7. Transformational Leadership Theory

Transformational leadership is the procedure for how such Leaders are capable of encouraging followers to do great things. This approach emphasizes that leaders need to consider the desires and motivations of followers and adapt them to them.

Transformational leaders are known as agents of change who are good role models, who can build and express a compelling vision for an organization, who inspire followers to reach higher expectations, who behave in ways that make people want to trust them, and who offer organizational existence meaning. (Lussier and Achua, 2010)

Transformational leadership is among the most popular comprehensive approaches to leadership, and it is worried about how those leaders are capable to motivate followers to do great things. This approach emphasizes the significance of leaders comprehending and adapting to their followers' desires and motivations. Transformational leaders are regarded as change agents that are positive role models who can express a compelling vision for an organization, inspire followers to achieve higher goals, behave in ways that others want to trust them, and add meaning to organizational existence.

According to Northouse, (2016) The transformational approach has many advantages, including the fact that it is a current paradigm that has gained a lot of attention from scholars, that it has strong intuitive appeal, that it stresses the role of followers in the leadership process, that it goes beyond conventional transactional models, as well as broadening leadership to include the expansion of followers, and that it puts a strong focus on the development of followers. Several flaws in transformational leadership are counterbalanced by its positive aspects. There is a lack of conceptual clarity in the methodology; it is founded on the MLQ, which has occurred questioned based on some investigation; it provides a paradigm that suggests that transformational leadership is characterized by a trait-like quality and It is founded on the MLQ, which has been called into question by some research It can be perceived elitist and anti-democratic and it can be used in ineffective ways by leaders. Despite its flaws, transformational leadership continues to be a useful and commonly employed strategy.

2.2.2.8. Authentic Leadership Approach

As stated by Northouse, (2016) authentic leadership is emerging in response to social demands for truthfulness, dependability, and good leadership because of leadership failures in the public and private sectors. Authentic leadership is described as being transparent, morally based, and attentive to the needs and values of others. Even though authentic leadership is still in its early stages, the study of authentic leadership is timely and worthwhile, providing hope to those who yearn for true leadership. Authentic leadership may be conceptualized interpersonally, developmentally, and interpersonally, although there is none universally recognized term.

The intrapersonal viewpoint is concerned together with the leader and his or her intelligence, self-control, and self-concept. According to the interpersonal viewpoint, genuine leadership is a collaborative effort between leaders and followers. Primary constituents of authentic leadership mature throughout one's life and are caused by major life events, according to the developmental perspective.

The realistic approach to authentic leadership lays out the fundamentals of how to become an authentic leader. George's (2003) as cited by Northouse, (2016) approach recognizes five fundamental aspects of authentic leadership, in addition to the behavioral traits that individuals must cultivate to become authentic leaders.

As stated by Northouse, (2016) a theoretical approach to authentic leadership is evolving in the anthropology literature. “Researchers have established four major elements of genuine leadership based on studies in leadership positions, constructive organizational scholarship, and ethics: self-awareness, internalized moral perspective, balanced processing, and relational accountability”. Furthermore, researchers have discovered that a leader's positive psychological abilities, moral thinking, and crucial life experiences all affect genuine leadership.

According to Northouse, (2016) authentic leadership comes with a slew of benefits. For starters, it provides an answer to those seeking effective and stable leadership in an uncertain world. Second, authentic leadership is prescriptive, providing a wealth of information about how leaders can improve their authenticity. Third, it clearly states that leaders must do what is "right" and "good" for their followers and society. Fourth, rather than having been framed as a static trait, it is framed as a process by which leaders change over time. Finally, authentic leadership can be assessed using a theory-based tool.

According to Northouse, (2016) authentic leadership, on the contrary, has some drawbacks. First, the ideas discussed in the practical approach should be viewed with caution because they have not been fully substantiated by research. Second, the moral dimension of authentic leadership is underserved. It doesn't clarify how values like justice and culture, for example, relate to authentic leadership. Third, the rationale for including positive psychological capacities as a central component of an authentic leadership model is unclear. Finally, research regarding the outcomes of true leadership and how it leads to effective organizational results is lacking.

2.2.2.9. Servant Leadership Approach

As explained in Greenleaf's seminal work from 1970, servant leadership is a paradoxical method of leadership that challenges our traditional assumptions about leadership and power. Servant leadership emphasizes the significance of leaders being mindful of their followers' needs, inspiring them, and assisting them in realizing their full potential as human beings.

Servant leaders make the deliberate decision to put the requirements of their followers ahead of their own. They cultivate positive interpersonal relationships, are empathic and ethical, and lead in ways that benefit followers, the company, the group, and society as a whole.

Greenleaf proposed that the selfless servant in a community has an exceptional influence on the other members, based on an idea from Hermann Hesse's (1956) novel *The Journey to the East*. Servant leaders pay careful attention to their followers' wishes, are concerned about the less fortunate, and strive to eliminate inequality and social injustices. Servant leaders have less hierarchical influence and control because they delegate authority in the eyes of those who are being led. Scholars have described servant leadership in several ways. "Listening, empathy, healing, understanding, persuasion, conceptualization, foresight, stewardship, and dedication to people's development are ten main characteristics of servant leadership". Other servant leadership qualities have emerged because of additional efforts by social science researchers to create and validate measures of servant leadership.

As stated by Northouse, (2016) there are many advantages to servant leadership research. For starters, it is unique in that it prioritizes altruism in the leadership procedure. Second, servant leadership takes a counterintuitive and provocative approach to authority, in which leaders give up power rather than pursue it. Third, rather than being a panacea, research has shown that there are times when servant leadership is not the best option.

As stated by Northouse, (2016) the servant leadership approach also has limitations. For starters, the paradoxical nature of the title "servant leadership" generates semantic noise, which reduces the approach's potential value. Second, no consensus exists on a common theoretical framework for servant leadership. Third, servant leadership has an idealistic ring to it, which contrasts with conventional leadership approaches. Finally, it's unclear why "conceptualizing" is a distinguishing characteristic of servant leadership.

Despite its flaws, servant leadership remains an engaging approach to leadership with a lot of potentials. More research into the substance and assumptions of servant leadership can contribute to a deeper understanding of the process's complexities.

2.2.2.10. Adaptive Leadership Approach

Adaptive leadership is worried about assisting people in adjusting and adapting to new circumstances. Heifetz (1994) as cited Northouse, (2016) describes adaptive leadership as a leader who helps others to solve problems for themselves rather than solving problems for them. In the literature on leadership, adaptive leadership plays a unique role. Although adaptive

leadership's merits are generally recognized, theoretical conceptualizations are still in their infancy.

While the term adaptive leadership suggests that it is worried about how leaders adapt, it is more concerned with how followers adapt. “People-mobilization is a practice to overcome difficult challenges and thrive” is how adaptive leadership is described (Heifetz (1994) as cited Northouse, (2016)). Adaptive leadership, which is consistent with complexity theory, is about leader behaviors that inspire followers to learn, be creative, and adapt to dynamic situations.

As stated by Northouse, (2016) a model of how the major elements of adaptive leadership, such as situational challenges, leader habits, and adaptive work, fit together. Adaptive leadership is worried about helping people overcome adaptive challenges. “Leaders face three types of situational challenges (technical, technical and adaptive, and adaptive). (1) Get on the balcony, (2) recognize adaptive problems, (3) control anxiety, (4) sustain disciplined focus, (5) give the job back to people, and (6) protect leadership voices from below are the six leader behaviors that play a major role in the process”. These six behaviors come together to form a blueprint for becoming an adaptable chief. Adaptive leadership focuses on and strives for adaptive work. The creation of a holding area, a space provided and preserved by adaptive leaders where people can feel secure while confronted with and overcome challenging life challenges, is central to adaptive work.

As stated by Northouse, (2016) Adaptive leadership has several advantages. First and foremost, adaptive leadership stresses that leadership is a dynamic collaborative process with many dimensions and activities. Second, adaptive leadership, unlike most other leadership theories, explicitly defines leadership as actions taken by leaders to provide followers with the best opportunity to do adaptive work. Third, adaptive leadership is distinct in that it describes how leaders can assist people in confronting and adjusting their beliefs so that they can adapt and succeed. Fourth, adaptive leadership offers a valuable and realistic set of guidelines for what leaders and followers can do to support adaptive change. Last but not least, adaptive leadership emphasizes the significance of a holding environment in the leadership process.

There are some flaws in the adaptive leadership procedure as well. First and foremost, there is very little empirical evidence to back up adaptive leadership's arguments and tenets. Second, the conceptualizations of adaptive leadership need to be refined further. The major factors and their

interrelationships are not well defined. Third, because of the scope and breadth-ranging nature of adaptive leadership prescriptions, understanding them can be daunting. Furthermore, the suggested leadership practices are abstract, making them difficult to study or incorporate in practice. Finally, adaptive leadership acknowledges the moral dimension of leadership and the value of transformation for the greater good on a theoretical level, but it fails to demonstrate how adaptive work contributes to such socially beneficial outcomes.

As stated by Northouse, (2016) Adaptive leadership is a type of prescriptive leadership that can be used in a variety of situations. More research is required in the future to explain the concepts of adaptive leadership and to validate the theories and propositions on how it works.

2.2.3. Organizational Culture and Leadership

Culture and leadership are opposing views on the same issue, in that when they create groups and organizations, leaders first create cultures. Once cultures exist, they decide the leadership criteria and thereby determine who can be a leader or not. But if elements of a community become dysfunctional, leadership's unique role is to be capable to perceive the functional and dysfunctional elements of the current culture and to manage and alter cultural evolution in such a way that the group can thrive in a changing environment. Many scholars have pointed to the close connection between organizational culture and organizational leadership (Bass, 1985; Ogbonna & Harris, 2000, as cited by Acar, 2012) There is, however, a significant debate about how a culture originates and whether leaders have any influence on shaping the culture of organizations. Some theorists (Smircich, 1983; Turnstall, 1983, as cited by Acar, 2012) the culture was suggested to be the organization itself and seen as something that can be exploited.

Thus, leaders are supposed to at least control and exploit society to a degree. By contrast, others (Denison, 1990; Hofstede et al., 1990; Schein, 1997, as cited by Acar, 2012) indicated that the actions of the founders and/or leaders of the organization have the power to establish and undoubtedly affect the organizational culture.

2.2.4. Organizational Culture and Innovation

To innovate, positive cultural features will provide an organization with the required ingredients. Culture and innovation are closely related (West, 2000, as cited by (Szczepa, 2015) To lead the

organizations towards success, culture is very important; provided that all workers in the organizations are completely committed to this matter.

Each organization has its dream and aim of being a sort of guide on the way to achieving organizational excellence. Organizational culture is the component that connects employee goals to achieve subsequent standards of excellence while representing the organization's image.

2.2.5. Organizational Culture and Performance

Performance-related organizational culture is focused on the perceived role that culture can play in creating competitive advantage. (Scholz, 1987, as cited by Ogbonna & Harris, 2000) (Krefting and Frost, 1985 as cited by Ogbonna & Harris, 2000) it implies that the way organizational culture can produce competitive advantage is by denying the organization's boundaries in a way that encourages individual engagement and/or by restricting the reach of the processing of knowledge to acceptable levels. Likewise, it is argued that common and strongly held values allow management to anticipate employee responses to such strategic alternatives, thus reducing the potential for undesired consequences (Ogbonna & Harris, 2000). According to theorists, the development of organizational competencies is also a source of long-term competitive advantage that is both superior and imperfectly imitated by rivals (Reed and DeFillippi, 1990, as cited by Ogbonna & Harris, 2000).

2.2.6. Leadership and Innovation

Different viewpoints of leadership tend to emphasize different practices that are important to leadership, as well as different perspectives on innovation. In general, a distinction is made between more realistic or transactional leadership perspectives, on the one hand, establishing stability and transition leadership perspectives, and in contrast, steering through change processes. Transactional leadership points of view tend to emphasize the exchange between leaders and supporters and the self-interest associated with these interactions, but also the monitoring and preparation mechanisms that need to be developed. (Lykke Margot Ricard, Erik Hans Klijn, 2017) Transformational leadership exchange viewpoints a focus on priorities and outcomes with the transactional point of view but increase your focus on leaders' charismatic features and the symbolic mechanisms needed to drive change and transform organizations (Bass 1985, Van Wart 2012 as cited by Lykke Margot Ricard, Erik Hans Klijn, 2017). Many scholars still recognize, in addition to these two dominant views, a more relational view of leadership that

emphasizes personal relationships with followers and subordinates (Van Dierendonck 2011; Van Wart 2012; Tummers and Knies 2013, as cited by Lykke Margot Ricard, Erik Hans Klijn, 2017).

2.2.7. Leadership and Performance

Several researchers agree that transformative leadership is related to organizational success (Howell and Avolio, 1993, Bycio et al., 1995, as cited by Ogbonna and Harris, 2000). It is conceptually argued that the visionary and motivational abilities of transformational leaders inspire followers to achieve high performance (Quick, 1992, Nicholls, 1988; as cited by Ogbonna and Harris, 2000).

2.2.8. Innovation and Organizational Performance

Traditionally, organizational innovation has been focused on improving organizational efficiency (Damanpour, 1991, as cited by Tang & Yeh, 2015)

Some earlier works note that only certain elements of innovation, rather than the innovation itself, are positively associated with organizational performance. (Danneels and Kleinschmidt, 2001, as cited by Tang & Yeh, 2015). In either case, the vast majority of prior research has been conducted has agreed that performance is positively affected by organizational innovation.

2.3 Empirical Studies

Empirical literature reviews try to analyze, evaluate and synthesize the subject concerned by looking at different research findings and working papers to see what they say about the link between organizational culture, leadership competency, innovation, and organizational performance.

2.3.1 The Relationship Between Organizational Culture, Leadership Competency, Innovation performance and Organizational Performance

Individuals are seen as leaders throughout the organization. The organization fosters the spirit and mentality of entrepreneurship, the empowerment of risk-taking, and innovation. Organizational culture promotes the development of individuals, open communication, collaboration, and the fulfillment of personal interests and passions within a company. (Taylor et al., 2019) Culture is described as the 'sum of the belief that shapes norms or behavior and dictates how things are done in an organization. (Belias & Koustelios, 2014, as cited in Taylor

et.al, 2019) The impact of leadership on the organizational culture is reciprocal. Simply put, culture influences the leader, and the leader is likely to manipulate culture. (Bass & Avolio, 1993 Taylor et al., 2019) Empirical research has demonstrated that leaders of change play an important role in shaping the conditions for creativity and innovation to thrive and enhance results. However, the study also found that the impact of the transformation leader on improving creativity and innovation is increased when society, such as the adhocracy, is less organized with external emphasis. (Golden, 2016, as cited in Taylor et.al, 2019). When organizational cultures, such as hierarchical cultures, are highly structured with rigid processes and fixed routines, the study found an inverse relationship or poor support for creative and innovative performance. (Golden, 2016, as cited in Taylor et.al, 2019).

Creative leadership is regarded as a successful leadership style that encourages a collaborative culture that fosters innovation. Hiring the right people and assisting them in achieving their personal and professional objectives results in a diverse team that pursues their passions and tries out new ideas. (Hynes & Mickahail, 2018, as cited in Taylor et.al, 2019) Creative leaders match people to the right position, nurture them, and give them opportunities to act on their ideas while meeting their personal needs.

According to studies, open communication, honesty, empowering risk-taking, providing resources to complete projects, and collaborative processes, all help to foster an innovative culture. (Abecassis-Moedas & Gilson, 2018; Ishak, 2017, as cited in Taylor et.al, 2019) According to studies, People-centered leadership styles are the best way to deal with transition and foster an innovation culture. (Kokpol, 2018, as cited in Taylor et.al, 2019). Research describes several leadership styles, including transformational, inclusive and authentic.

2.3 2 Leadership Competency and Innovation performance

Leadership is the most critical predictor when considering the degree to which subordinates strive for creativity and innovation. (Wipulanusat et al., 2017) The set of leadership styles, which includes a transformational style and one that is more focused on employee motivation, risk-taking, and decision-making. (by Lykke Margot Ricard, Erik Hans Klijn, 2017)

2.3.3 Leadership Competency and Organizational Performance

Empirical literature reviews attempt to analyze, evaluate, and synthesize the topic concerned by looking at different research findings and working papers to see what they declare on the impact of leadership competency on the performance of the organization. There are different numbers of studies stating the role of leadership competency in organizational performance.

Most of the research findings have shown that there was a significant relationship between transactional leadership style and transformational leadership style on organizational performance. (Khamis, 2013) Depending on the factors utilized by researchers, different leadership styles may have a positive or negative association with organizational performance. (Wang, et. al, 2010, as cited by Khamis, 2013) the research showed that there is an impact of leadership behaviors on organizational performance. (Khamis, 2013) Finally, in the service sector, leadership behaviors were discovered to be very critical essential determinants in the organization's growth.

Effective leadership is determined by the level at which it facilitates adequate or high productivity. (Dubrin, 2007, as cited by Khamis, 2013)

Leadership respects the needs of employees and uses suitable incentive tools such as merit and skill-based promotions, create a proper working environment and leadership style that encourages the open flow of information between employers, Officers in charge, and other workers. (O. Lawal &C. Chukwuebuka,2007, as cited by Khamis, 2013)

2.3.4 Innovation performance and Organizational Performance

Innovation performance positively impacts organizational performance (L.Tang and Y.Yeh, 2015), and also research has found that innovation plays an important role in organization performance (Higgins, 1995; Hult et al., 2004).

2.3.5 Organizational Culture and Leadership Competency

Robbins and Judge (2010) as cited by L.Tang and L.Yeh, 2015 defined organizational culture as “A system of common meaning maintained that sets the organization apart from others, as defined by its members” Similarly, Arnold et al. (2005) as cited by L.Tang and L.Yeh, 2015 “Organizational culture” includes “distinctive norms, beliefs, ideals, and ways of acting that

offer Every business has its personality.” according to the study. These aspects of culture are regarded as the proper way to do business in the organization.

Only if a culture suits the context, such as the objective conditions of the market or the business plan it is successful. That is to say, the better the fit, the better the success of the organization, and changing culture can jeopardize a good fit. (Corbett and Rastrick, 2000 as cited by L.Tang and L.Yeh, 2015) Employees in an organization with a good culture, according to most research, have a sense of purpose, which can increase productivity. In essence, these workers understand what is required of them and, because of this, respond positively to change. A good organizational culture promotes knowledge flow and fosters unity among its members. (Karathanos, 1998) Customer satisfaction improves as a result of improvements in work culture and internal communication, which is critical for long-term business development and profitability. (Lakhe and Mohanty, 1994 as cited by L.Tang and L.Yeh, 2015) Members of a diverse workforce would benefit from a strong organizational culture in creating a superordinate organizational identity and defining common superordinate goals.

Thus, the following hypotheses are proposed:

Ha1: Organizational culture has positive and significant effect on Organizational Performance

Ha.1.1: Clan culture has positive and significant effect on Organizational performance

Ha.1.2: Adhocracy culture has positive and significant effect on Organizational performance

Ha.1.3: Hierarchy culture has positive and significant effect on Organizational performance

Ha.1.4: market culture has positive and significant effect on Organizational performance

Leadership Competency as a Mediator of Organizational Culture

The competency of leadership is affected by the organizational culture. Organizational culture is also responsible for influencing the motivation that a leader can give to followers. Leaders need a proper working environment and culture to motivate employees. (Hinds, 2019) Supportive and participatory styles of leadership are positively linked to innovative and competitive forms of culture. These results indicate that the generation of an externally-oriented organizational culture

is significantly influenced the degree to which the leader supports followers and includes followers in decision-making processes.(Ogbonna & Harris, 2000) Empowering and participatory leaders motivate the personnel and guided-missile types of corporate culture by adopting transformative leadership styles and their subtypes. (Bekic, 2018) from this some researcher reaches conclusion present as follow: - the leadership competencies of bank administrators have a significant positive relationship with organizational culture. (T.villanueva,2014as cited by Bekic, 2018), found to be significantly and positively correlated with all the dimensions of transformational leadership competencies and organizational culture (Anamika Rai and Anand Prakash,2021as cited by Bekic, 2018)

Thus, the following hypotheses are proposed:

Ha2: Leadership competency mediates the relationship between Organizational culture and Organizational performance

Organizational Innovation as a Mediator of Organizational Culture

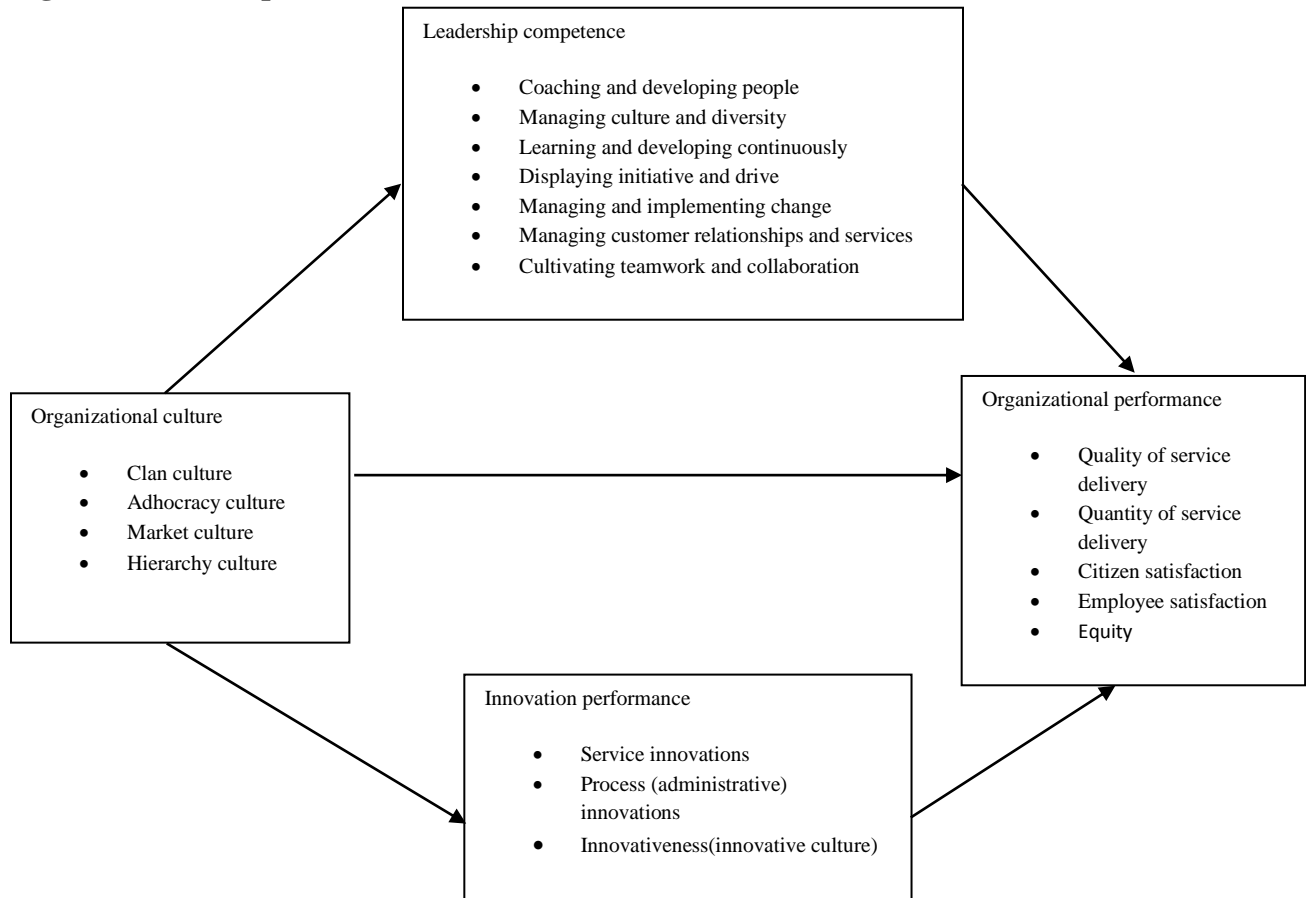
Organizational culture has an important role, including innovative behavior, in shaping employee behavior. This is because culture is a value that is a guide in the acting and solving of problems for individuals. (Herzog, 2011, as cited by Muhammad Abid Marzuki, 2019) emphasizes that organizational culture has a strong impact on innovation and innovation success. The previous study also indicated that organizational culture a predictor of innovative behavior (Eskiler, Ekici, Soyer, & Sari, 2016; Rizki, Parashakti, & Saragih, 2019, as cited by Muhammad Abid Marzuki, 2019), Organizational culture influences organizational performance positively through organizational innovation. (Tang & Yeh, 2015)

Thus, the following hypotheses are proposed:

Ha3: Innovation performance mediates the relationship between Organizational culture and Organizational performance

Conceptual Framework

Figure 2.2.: Conceptual Framework



Source :(own survey, 2021)

The model above is a graphical illustration and description of the research question – how organizational culture, the independent variable, may relate to organizational performance, the dependent variable. Furthermore, the focus is on how the interacting variables leadership competency and innovation performance mediates the relation between the organizational culture and organizational performance. The conceptual framework includes five control variables reflecting the demographical aspect of the employees. The objective for including these five is to control for how they affect the main relationships in the model.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This research tries to examine the effect of organizational culture on organizational performance in the case of selected Public institutions in Addis Ababa city of Ethiopia and the mediating role of leadership competency and innovation performance. This chapter presents a description of the research approach, research design, statistical techniques in data analysis, and the data collecting instruments. In addition, the chapter describes the population and samples of the survey instruments. The reliability and validity of the survey instruments are also examined.

The research contains both primary and secondary data. The resources of the primary data would be collected using international survey instruments, to measure the leadership competency and the types of organizational culture and also use validity and reliability tested instrument by other researchers to measure innovation and performance. The resources of the secondary data are based on previous research, academic journals, dissertations, and the World Wide Web.

3.2 Description and Selection of the Study Area

Ethiopia's capital city is Addis Ababa. According to the 2007 population census, it is Ethiopia's largest city, with a population of 3,384,569 people (CSA, 2012). This figure has been raised from the previously published figure of 2,738,248 and appears to be significantly understated. Addis Ababa has the status of both a city and a state because it is a chartered city. The African Union and its predecessor, the OAU, have their headquarters here. The United Nations Economic Commission for Africa (UNECA), as well as several other continental and international agencies, has its headquarters here. Due to the continent's historical, diplomatic, and political significance, Addis Ababa is frequently used as an example of "Africa's political capital." There are up to 80 nationalities in the city, speaking 80 languages and belonging to a wide range of religious communities. It houses the parliament, in addition to the headquarters of various ministries and Addis Ababa University.

3.3 Research Approach

The researcher would use a quantitative research approach in the study to measure the effect of organizational culture on organizational performance in the case of selected Public institutions in Addis Ababa city of Ethiopia, and the mediating role of leadership competency and innovation performance. According to (Phillips and Burbules 2000, as cited in Creswell., 2014) Research seeks to create valid, true statements that can help to clarify the situation of concern or explain the relationships of interest.

Researchers advance the relationship between variables in quantitative studies and address this relating to questions or hypotheses. It is applicable in terms of quantity to phenomena that can be articulated. The object of quantitative research is statistical data collection, study, and measurement. A variety of items are chosen and analyzed in a quantitative analysis technique to improve the capacity to draw general conclusions.

3.4 Research Design

According to (KOTHAR, 2004) a research design is a setup of data collection and analysis conditions in a way that seeks to combine significance for a cost-effective research procedure. It is the framework that specifies the type of information to be collected, the sources of data, and the data collection procedure. The most important question in research design is how your data will be collected. Also, a proper research design affects the research reliability and validity.

The purpose of this thesis is to investigate the relationship between organizational culture and organizational Performance of public institution with the mediating role of leadership competency and innovation performance, by using quantitative data. Therefore, based on the purpose of the research the researcher employed explanatory research designs; since it gives answers for the why and how type of questions in determining the relationship between organizational culture and organizational performance and also the mediating role of leadership competency and innovation performance. It looks for causes and reasons and provides evidence to prove or disprove an explanation (Gray, 2014). It will also assist the researcher in discovering and reporting relationships between various aspects of the study.

Based on the time frame there are two types of researches; a cross-sectional study, which compares different populations at a single point in time and longitudinal (long term) study. Since

this thesis focuses on the current relationship that exist between organizational culture and organizational performance of public institution, the researcher employed cross-sectional study. The data would be collected at a single point in time. Therefore, the best-suited design for this research was the cross-sectional design.

3.5 Research Methods

The researcher would use the survey study design based on the questionnaire since the data would be obtained at a point in time from the respondent. A survey design offers a numerical or quantitative overview of patterns, perceptions, or views of a survey. By observing a sample of the population of that group, the researcher generalizes from sample observations, it draws population inferences. A research design is the setup of data collection and analysis conditions in a way that seeks to combine significance for research with the economy in procedure. (KOTHAR, 2004)

This research addresses cause and effect between organizational culture dimensions, leadership competency dimensions, innovation dimension, and performance dimensions. To collect the data of the leadership competency dimension the research adopts the questionnaire survey of leadership competency developed by MWITHI, 2016) It also adopts" the Organizational Culture Assessment Instrument (OCAI), constructed based on the CVF by (Cameron & Quinn, n.d.), as cited by Genc, 2017) to assess the kinds of organizational culture (hierarchy, market, clan, and adhocracy). The two questionnaires are international instruments and have been used by many researchers; they are more cost-effective, there is a uniform question presentation, no middle-man bias, and the researcher's own opinions do not influence the respondents to answer the questions in a specific way. To collect the data of innovation and performance dimensions the questionnaire adopts from (Genc, 2017).

3.6 Subject Selection

The study had target populations of public servants of five public institutions: Lideta sub-city public service pool, Qerikos sub-city public service pool, Nifas silk sub-city public service pool, Hakaki kaliti sub-city public service pool, and wereda 10 Lideta sub-city public service pool. These full-time employees form all offices. Employees employed as a clerk, security officer, messenger, and trainer are not included in the document if they do not understand the questionnaire clearly. The research question is whether a statistically positive relationship can be

found between their perceptions of organizational culture, leadership competency, the level of innovation, and performance in their office.

The study was conducted on a purposefully selected five public institutions from among the many found under the administration of the city. The public sector institutions were chosen with care due to their size and importance in serving society, as well as their relationships with various stakeholders (accommodating different stakeholders). Following the identification of the institutions, the amount (number) of civil servants in each selected institution included in the study as respondents was determined in proportion to the total number of workers found in each institution. After the proportion of respondents in each institution was determined, the sample respondents from each institution were chosen using a simple lottery method. And data was gathered using a questionnaire.

Table 3.1 Sample Size

Name of institutions	Numbers of employees
Nfas silk lafto sub city	294
Akaki kaliti sub city	315
Qirkos sub-city	251
Lideta sub-city	220
Lideta sub city wereda 10	38
Total	1118

Source :(own survey, 2021)

By using the simplified formula provided by Yaman (1967), which is written below sample size has been calculated. $n = \frac{N}{1 + N(e^2)}$

Where: e^2 - Error rate (95% Confidence)

n- Required Sample Size

N-Target Population

The target population (N) for this study is 1118. Therefore, the required sample size is calculated as $n = \frac{1118}{1 + 1118(0.05^2)}$

Which gives a sample of 295

3.7 Research Instrument

This section would go into the construction of the questionnaire used in this study in greater detail, in addition to the measures used.

3.7.1 Measurements of the Variables

All of the items were selected because their reliability and relevance in previous studies matched the thesis's intended study. A five-point Likert scale, ranging from 1–strongly disagree, to 5 – strongly agree was applied for all items (except the control variables age, gender, service years, educational level) to ensure uniformity. An assumption is that all the indicators can be treated as equivalent and interchangeable, and are in this manner at the interval level. Hence, all the variables, except age, gender, service years, and educational level are at an interval scale level, which is likely to enable regression analysis on these variables without any difficulties.

3.7.2 Independent Variable

The approach used in this research is organizational culture. The items originate from the Organizational Culture Assessment Instrument (OCAI), constructed based on the CVF by Cameron and Quinn, 1999 and are widely used and acknowledged. The scale consists of 24 items which are divided into four components: 1. Clan culture has six items (CC), 2. Adhocracy culture has six items (AC), 3. Market culture has six items (MC) and 4. Hierarchy has six items (HC). The dimensions within the concept are distinct, but collectively reflect the overall construct of Organizational culture (Cameron and Quinn 1999). Therefore, all items have been computed into one higher-order variable called “organizational culture” in the analyses.

3.7.3 Dependent Variables

The organizational performance consists of five items. The items used in the questionnaire originate from Elif Genc (2018).

3.7.4 Mediating Variables

Leadership competency in this study refers to the level of abilities with regards to Coaching and developing people, Managing culture and diversity, Learning and developing continuously, Displaying initiative and drive, Managing and implementing change, Customer relationship management and services, and Cultivating teamwork and collaboration. The items used to

measure leadership competency by (Boloko, 2018) The scale is made up of seven components and twenty-one items. The items for measuring organizational innovation originate from (Stig Ottosson , Anastasiia Moldavska , Olga Ogorodnyk, 2017) It was measured as composite Service innovations, Process (administrative) innovations, and Innovativeness (innovative culture). The scale is made up of three components and eight items. The items for the questionnaire are attached in appendix 2.

3.8 Reliability and Validity

3.8.1 Validity

Before conducting research and testing hypotheses, researchers have to ensure the validity of the measurement instrument used. The validity of a measure refers to the extent to which the research findings accurately represent what the measuring instrument claims to measure (Sekaran, 2003) an instrument is considered valid if it measures what the researcher claims it does (Sekaran, 2003), which reflect the degree of reliability and the stability of the measurement tool. The instruments are international instruments, which had been used and tested by different researchers.

3.8.2 Reliability

The most used reliability coefficient Cronbach’s coefficient alpha was determined for the whole instrument and was applied to each dimension to ensure inter-item consistency reliability (Sekaran, 2003). Reliabilities range of 0.70 is acceptable and > 0.80 is good (Sekaran, 2003). The values of Cronbach’s alpha closer to 1 ensure the higher internal consistency reliability. All the values in the table are more than (0.70) which is an acceptable value (Sekaran, 2003), which will lead to the stability and reliability of the results for this research.

Table 3.2. Reliability statistics for the measures employed in pallet test

Measure	Cronbach’s alpha (CA)	Number of items	N
Organizational culture	.976	24	60
Leadership competency	.925	21	60
Innovation performance	.819	8	60
Organizational performance	.878	5	60

Source :(own survey, 2021)

3.9 Data Analysis

Primary data which was collected from employees and data was analyzed using SPSS 23 and AMOS 23 soft wares. The analysis focused on the relationship Organizational culture has with Organizational performance of the public institution with a mediating role of leadership competency and innovation performance.

In the descriptive statistics description of the population through tables and explanations are presented. The relationship between variables and how independent variables explain dependent variable is discussed under inferential (statistical) analysis. The first uses only the immediate data collected to conclude. Whereas, the latter, unlike the first, uses beyond the immediate data to predict about the population and reach to conclusion (Kothar, 2004). An inferential analysis with multiple regressions was used to examine the effect of independent variables on dependent variable.

The collected data was tested if it could satisfy multivariate assumption so that to check whether the data could be used for statistical analysis. Decision makers are interested in predictive research which may involve more than two variables and in predicting the value of a dependent variable on the basis of one or more independent variables. Unlike univariate analysis, multivariate analysis analyzes the simultaneous relationship among two or more variables or phenomena (Shukla, 2018)

Then factor analysis was done and finally the researcher run the data by using structural equation model (SEM), which is a well-known method to analyze survey data. SEM is a powerful multivariate technique. It differs from other modeling since it test the direct and indirect effect on pre-assumed relationship. Unlike path analysis, SEM uses latent variables to account for measurement error.

3.10 Ethical Consideration

During data collection, the researcher has tried as much as possible to respect the basic rights of the respondents while taking part in this study.

The researcher again has tried to create a smooth relationship with respondents and provide full information on why the study will be conducted and what will be expected from them and what the researcher has to do with the data and their participation will base on voluntary. To keep the

privacy of the information given by respondents, it will not require writing their name and assured that their responses are treated in strict confidentiality. This is one method of ensuring the ethical principle of anonymity in social research to avoid any doubt. All the answers will be used only for the objective of this study. The literature collected for this study will properly acknowledge under the reference section.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

This chapter presents the results of data analysis executed in SPSS version 23 and AMOS. The results are presented in two broad categories; (1) the preliminary measurement model validation analysis and results; this presentation of results covers internal consistency, dimensionality and confirmatory factor analysis of latent variables used in this research. This helps us to decide whether scale items in the questionnaires are suitable to fulfil the aims and objectives of the research; (2) the next category covers data analysis and results from the substantive sample of 257 respondents that are drawn from an entire sample of 295 respondents. The results produced in this category cover the following areas; descriptive statistics, exploratory factor analysis (i.e. sample adequacy, convergent validity, discriminant validity and reliability), confirmatory factor analysis (i.e. measurement model, invariance tests, validity and reliability tests, common method bias test, measurement model fitness and imputation of composites) and structural equation modelling (i.e. multivariate assumptions of linearity, multicollinearity and homoscedasticity), mediation (direct effects without mediator, direct effects with mediator and bootstrapping for indirect effects with mediator) and reporting of findings from analysis. These results are drawn on the basis that reality is objective and thus the ultimate aim is to test hypotheses and consequently develop generalizations that can be applied across situations about the phenomena.

4.1 Non response bias and response rate of respondents

Previous research has shown that non-respondents occasionally differ systematically from respondents in terms of behaviors, attitudes, perceptions, and demographics, all of which may influence the study's findings. Non-response bias is a common error that a researcher is likely to make when estimating sample characteristics because some groups of respondents may be underrepresented as a result of non-response. Non-response bias occurs when there is a difference in responses between non-respondents and respondents. (Lambert and Harrington, 1990 as cited by HUSSAINI et al., 2018). Non-response bias can affect the findings of the research and the generalization of the result to the population. To detect this type of error in the future, the non-response bias test must be performed before proceeding to the main analysis. Though there was no item non response in the collected data, unit non-responses was observed due to different reasons.

For this research a total of 295 questionnaires were prepared and distributed for five public institutions. From these 257 was returned and they were used for quantitative analysis and discussion; which indicates that the response rate was 87%, which is an acceptable percent. it may not raise serious concerns about the analysis's future work. Fortunately, data quality has not been an issue. This could be due to the survey tool's requirement that all questions be answered. Every question had to be recorded.

4.2 Demographic Characteristics of Respondents

Table 4.1: Demographic characteristics of respondents

VARIABLES	CATEGORY	FREQUENCY	PERCENTAGE
Gender	male	120	46.7
	female	137	53.3
Age	21-30	90	35.0
	31-40	98	38.1
	41-50	57	22.2
	51-60	12	4.7
Experience	Below 5 years	87	33.7
	5-10 years	81	31.5
	11-15 years	68	26.5
	Over 15 years	21	8.2
Educational level	Secondary level	1	.4
	certificate	16	6.2
	diploma	71	27.6
	bachelor degree	158	61.5
	master degree	11	4.3
Current Positions	Middle Management	52	20.2
	Operative	205	79.8
	Middle Management	52	20.2

Source: analysis of survey data using SPSS 23

Descriptive statistics in terms of demographical variables indicates that 120 men and 137 women participated in the survey. This gives us respectively 46.7% men and 53.3% women of the total population.

With regard to age it can be noticed that the highest percentage share belongs to the participants between 21-30 years (35%), 31-40 years (38.1%), 41-50 years (22.2%) while only 12 respondents (4.7%) were found years between 52- 60 years. of the respondents .5% had secondary level, 6.2% had certificate, 27.6% diploma, 61.5% possessed a bachelor's degree and 4.3% had a master's degree.

The percentage of participants with work experience for less than 5 years was 33.9%. Participants with work experience for 5-10 years were 31.5%, 26.5% of participants with 11-15 years of experience, The last group of participants who worked with the organization is more than 15 years has 8.2%.

According to the study three working groups of the organization were targeted and they are senior managers, middle managers, and Worker or operators. Based on Figure 5, there were no senior managers in organization. The middle managers of the organization were 20.2%. The worker or operators of the organization were 79.8%.

4.3 Data Analysis

4.3.1 Assessing the Sample Size

Different factors are considered when determining sample size by selecting a number of repeated, to include it in a statistical sample. This includes the cost, time, or convenience of gathering the data, as well as the requirement that it provide sufficient statistical power.(Kline, 2015), Researchers must obtain matching parameters that are as close to the population as possible; because, quantitative research findings are extrapolated from samples to the entire population. According to (Loehlin 2004 as cited Oberföll, 2021)), sample size For SEM should be at least 100 to 200. The sample size used for this study was 257 which are sufficient for performing the factor analysis and structural model.

4.3.2 Assessing Common Method Bias

As said by Podsakoff et al. (2003 as cited by HUSSAINI et al., 2018), The variance that is always attributable to the measurement procedure rather than the actual constructs that the measures represent is referred to as common method variance (CMV). CMV is significant because of the possibility of bias when estimating the relationship between the research's theoretical constructs. (Podsakoff et al., 2003 as cited by HUSSAINI et al., 2018). However, CMV is widely acknowledged to be a major concern for self-report survey researchers. (Lindell and Whitney, 2001 as cited by HUSSAINI et al., 2018).

Following (Viswanathana and Kayandeb 2012 as cited by HUSSAINI et al., 2018), The current study used a number of procedural remedies to reduce the effects of CMV). To begin, in order to alleviate evaluation anxiety, respondents were given complete freedom of choice and expression,

with the assurance that their responses would be kept strictly confidential and used only for research purposes. The participants were informed that there are no correct or incorrect answers to the questionnaire items. Second, in the current study, improving scale items by eliminating item ambiguity was also used to reduce method biases. This was accomplished by avoiding vague concepts in the questionnaire and providing simple examples when such concepts were used. To improve scale items even further, all survey questions were written in simple, specific, and concise language.

Third, using Harman's single factor test, this study investigated common method variance. As suggested by Hulland et al. (2017 as cited by HUSSAINI et al., 2018), A principal components factor analysis was performed on all items in this study. The results of the analysis revealed 5 factors that explained a total of 47.7 percent of the variance, implying that common method bias does not exist in the current study because it is less than 50%. (Kumar, 2011 as cited by HUSSAINI et al., 2018). The systematic variance shared by the variables is known as common method bias, and it is based on the assumption that a single factor explains the majority of variance. (see Appendix 3)

4.3.3 Assessing Missing Data

missing value “is one of the most pervasive problems in data analysis; the severity of the problem is determined by the pattern of missing data, the amount of missing data, and the reason for the missing data” (Tabachnick and Fidell, 2007 as cited by HUSSAINI et al., 2018). Before performing any analytic procedures, it is statistically important to check for missing values because some statistical packages (for example, SmartPLS) will not work. Furthermore, failing to recognize cases with missing values may result in the loss of critical information, reducing statistical power and increasing standard errors (Dong and Peng, 2013 as cited by HUSSAINI et al., 2018). A missing data indicator is when a respondent fails to provide an answer to one or more questions, rendering the data collected unsuitable for subtraction. (Hair et al., 2010 as cited by HUSSAINI et al., 2018). Given the impact of missing data on analysis, the researcher took steps to prevent missing data issues from the start of data collection in an effort to reduce their frequency. Upon receipt, each questionnaire was thoroughly reviewed to ensure that all questions were correctly answered.

While there is no universally accepted cut-off in the literature for the percentage of missing values in a dataset for valid statistical analysis (Schafer and Olsen 1998 as cited by HUSSAINI et al., 2018), it has been argued that a missing rate of 5% or less is insignificant. After running the data for frequency analysis, there were no missing data, the researcher continued with the 257 usable questionnaires for further analysis of EFA, CFA, and path analysis.

4.3.4 Assessing outliers

As stated by Tinsley and Brown (2000), Outliers are extreme values on one or more variables. This could be the result of an incorrectly entered value, an error in recoding or transforming variables, or the presence of an exceptional but valid data point. Outliers, as stated by Kline (2005), will have an impact on the analysis and possibly the understanding of empirical findings. There are two categories of Outlier findings.

The first are outliers with unusual values for only one variable, known as univariate outliers, and the second are outliers with an unusual mix of values for more than one variable, known as multivariate outliers (Field, 2009; Pallant, 2010). The frequency distributions of z scores were used by the researcher to identify univariate outliers. As stated to Tinsley and Brown (2000), the presence of a univariate outlier is indicated by a Z score of absolute value greater than 3.29 and a p value less than .001. However, no univariate outlier was found in this thesis based on the above value. The multivariate outliers analysis was performed using the Kline recommendation that the D2 (Mahalanobis distance) value be $p < 0.005$. (2010). Because there were no values less than 0.005, all of the data were used in the SPSS output.

4.3.5 Assessing Linearity Assumption

In this case, the dependent variable is defined as a linear function of the predictor, the independent variable. Standard multiple regression can only accurately estimate the relationship between independent and dependent variables if their relationships are linear in nature. However, if this is not done, the regression analysis results will understate the true relationship and produce incorrect statistical results (Jensen and Ramirez, 2013 as cited by Hussaini et al). Curve estimation was performed on all of the relationships in the model and found to be sufficiently linear to be tested using a covariance-based SEM algorithm.

4.3.6 Assessing Multi-collinearity Assumption

Multicollinearity occurs when two or more exogenous latent constructs become highly correlated. The problem of multicollinearity arises when the independent variables are highly correlated with one another. (Hair et al., 2010; Tabachnick and Fidell, 2007 as cited by Hussaini et al, 2018). The presence of multicollinearity among exogenous latent constructs can significantly distort regression coefficient estimates and statistical significance tests (Chatterjee and Hadi, 2006 as cited by Hussaini et al). Multicollinearity, in particular, raises the standard errors of the coefficients, rendering them statistically insignificant. (Tabachnick and Fidell, 2007 as cited by Hussaini et al). In the current study, two methods were used to detect multicollinearity, as suggested by Peng and Lai (2012 as cited by Hussaini et al). The correlation matrix of the exogenous latent constructs was first investigated. A correlation coefficient of 0.90 or higher indicates multicollinearity between exogenous latent constructs, as etated by to Hair et al. (2010, as cited by Hussaini et al).

Tolerance denotes how much of the variability of the specified predictor variable is not explained by the model's other predictor variables and the variance inflation factor (VIF is the influence of correlations among independent variables on the precision of regression estimates). As stated by Dormann et al. (2013), a tolerance value of less than 0.1 almost certainly indicates a serious Collin condition. To check if there is a multi-collinearity problem in this thesis, the researchers depend on a common cut off value of 0.10 for tolerance, and a value of 10 for VIF as recommended by Sekaran & Bougie (2013); and it was found to be in the acceptable range, as shown below.

Table 4.2 collinearity statistics

	Collinearity Statistics	
	Tolerance	VIF
CC	.800	1.250
AC	.327	3.062
MC	.373	2.683
HC	.388	2.577
LC	.353	2.829
IP	.371	2.696

Dependent Variable: OP

Source: analysis of survey data using SPSS 23

4.3.7 Assessing Normality Assumption

Data screening procedures, in particular, can frequently address normalcy prior to hypothesis testing. Prior to hypothesis testing, researchers can assess for normality and factors affecting the shape of the distribution, which can help them draw more accurate conclusions and identify potential problems early on, which can affect the results of the statistical analysis and assumptions underlying it (Cruz, 2007 as cited by Hussaini et al., 2018). Previous research (Reinartz et al., 2009, as cited by Hussaini et al., 2018) has traditionally assumed that PLS-SEM provides accurate model estimations in extremely non-normal situations. This assumption, however, may turn out to be incorrect.. Hair, Sarstedt, et al. (2012) proposed that researchers conduct a normality test on the data. Highly skewed or kurtosis data can inflate bootstrapped standard error estimates, underestimating the statistical significance of the path coefficients (Chernick, 2011). (Hair et al., 2012). Because multiple regression requires normally distributed independent variables in the analysis, normality was checked using Kurtosis, which measures whether the data is heavily tailed or lightly tailed to the normal distribution, and skewness, which is a measure of symmetry, prior to running the regression As a rule of thumb, skewness and kurtosis should be between -2 and 2 if the data is normally distributed. As a result, the analysis for all variables, as shown below, is normally distributed (Hair et al, 2006 as cited by Hussaini et al).

Table 4.3 Normality Test Skewness and Kurtosis

	Statistics						
	CC	AC	MC	HC	LC	IP	OP
Skewness	.383	.420	.609	.552	.204	.344	.369
Std. Error of Skewness	.152	.152	.152	.152	.152	.152	.152
Kurtosis	.201	-.564	.079	-.097	-.965	-.269	-.674
Std. Error of Kurtosis	.303	.303	.303	.303	.303	.303	.303

Source: analysis of survey data using SPSS 23

4.4 Factor analysis

Factor analysis explains the relationship between a set of construct and observed variables; it can be used to assess the validity of measurements, as well as to develop or confirm a theory by investigating the observed variables, and it can also be used to generate a smaller set of latent variables from a larger set of observed variables. (Tinsley and Brown, 2000; Thompson, 2004 as

cited by Hussaini et al., 2018). Factor analysis eliminates redundancy in a set of correlated variables and reduces the number of correlated variables by representing them with derived variables. Factor analysis is based on the assumption that the fundamental dimensions of factors, rather than the entire factors, can be used to explain complex phenomena. (Stevens, 2002 as cited by Hussaini et al., 2018) Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) are the two factor analysis techniques.

4.4.1 Exploratory Factor Analysis (EFA)

Exploratory Factor Analysis helps researchers condense data into a smaller set of summary variables in order to investigate the phenomenon's fundamental theoretical structure. It contributes to the structure of the variable's relationship with the respondents.

EFA is a multivariate statistical technique that uses factor loadings associated with latent variables, residual variances, and factor correlations to model the covariance structure of observed variables. It is regarded as one of the data reduction techniques because it aims to explain the relationship between many observed variables using a small number of factors. As said by DeCoster (1998 as cited by Hussaini et al., 2018) EFA is used when we want to discover different factors influencing variables and analyze which variables go together in order to create an appropriate structural model (McDonald, 1985 as cited by Hussaini et al., 2018).

4.4.1.1 Factor Extraction

According to Pallant (2016), The goal of factor extraction is to find the fewest number of factors that can be used to best represent the interrelationships between a set of variables. It seeks to identify commonalities. Different factor extraction methods includes maximum likelihood; generalized least squares; unweighted least squares; principal axis factoring; alpha factoring; image factoring; principal components and the alternative methods including correlation or covariance matrix (George and Mallery, 2003 as cited by Pallant 2016).

The principal component method was used in this thesis to extract factors from the results of univariate analysis, and Variamax rotation was used to interpret the factors. The Kaiser-Meyer-Olkin (KMO) test, which determines whether partial correlations between variables are small, and Bartlett's test of Sphericity were also performed using SPSS 23 to assess sample adequacy and appropriateness.

The basic guidance for KMO is as follows.

- Less than 0.05 is considered poor
- 0.5 - 0.6 is average
- 0.6 - 0.7 is acceptable
- 0.7 - 0.8 is good and above 0.8 is considered excellent (Kaiser, 1974).

In addition to KMO, Bartlett's test of sphericity, which determines whether or not the correlation matrix is identical, is used (the diagonal value is 1 and the off-diagonal values are 0). This condition indicates that the variables are completely independent of one another, implying that the factor model is inapplicable. A p-value test of less than 0.005 results in the elimination of the matrix (Tobias & Carlson, 1969).

Table 4.4 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.960
Bartlett's Test of Sphericity	Approx. Chi-Square	14035.500
	df	1653
	Sig.	.000

Source: analysis of survey data using SPSS 23

The KMO value of 0.96 is considered excellent, indicating that factor analysis is applicable to our data. Furthermore, low values of Bartlett's Test of Sphericity (0.05) indicate that factor analysis could be useful with our data. As shown in the table above, we have a value of 0. Kaiser (1974); Tobias and Carlson (1969).

4.4.1.2 Communalities

Communalities is a measure of the percentage of variation in variables that can be explained by the factors. It is the variance amount, as well as the prior variable's share of all the other variables included in the analysis. The presence of variance is explained by all of the factors working together and is measured by Communalities. It estimates a portion of the variance in a variable and can be interpreted as indicator reliability. A communalities value of less than 0.5 will result in omission (Thompson, 2004 as cited by Hussaini et al).

To begin principal component analysis, certain variables and common factors are used. It initially assumes that all variations are the same. As a result, prior to extraction, the communalities are equal to one (1). This means that after extraction, there are common factors representing the

data structure's common variance. The communalities represented the amount of variance in each variable that could be explained by the retained factors after extraction. All the variables of in the data indicated high communality, >0.5 (see Appendix 4)

4.4.1.3 Total Variance Explained

Total variance, as defined by Eigen values, seeks to determine the number of factors that explain the majority of the variances in the data (Kim and Mueller, 1978). It is used to calculate the variance of all variables explained by a single factor. The Eigen value ratio is the ratio of the factors' explanatory power in relation to the variables. The ratio of Eigen values expresses the percentage of explanatory importance of a given factor in relation to the variables. When compared to the more important factors, a factor with a low Eigen value is considered redundant and contributes little to the explanation of the variance in the variables (Kaiser, 1958).

Various extraction methods are used, but the most common is root greater than one criterion, which was first proposed by (Kaiser, 1958). Components with Eigen values greater than one (>1) are retained by this criterion. This criterion is based on the idea that any component should account for more variation in the standardized test score space than any single variable. In this thesis, 58 variables were initially extracted. Six variables with low loadings were then eliminated, and the remaining factors explained 69.83 % of the variance using Varimax rotation.

4.4.1.4 Factor Rotation

Factor rotation is a method for testing and improving factor interpretability. Rotation is used to maximize the loading of each variable on one of the extracted factors while minimizing the loading on all other factors. Varimax, quartimax, and equamax are the three orthogonal rotation techniques. The varimax method is the most widely used of these techniques, and it is frequently used to make factor analysis FA.

The study used an absolute value of 0.50, as suggested by (Field 2005 as cited by Hussaini et al), so that values greater than 0.5 could be observed. This raises the importance of items in relation to their respective factor. The factors were divided into seven by the rotated component matrix. One variable (IP) was eliminated because it had no value in the rotated component matrix. Competitive aggressiveness was distributed across two variables: market culture and hierarchy

culture, as well as coaching, displaying, and implementing to management. The analysis was repeated until the factor extraction rules were met.

Table 4.5 rotated component matrix

Pattern Matrix^a

	Factor						
	1	2	3	4	5	6	7
clan culture item 1				.755			
clan culture item 2				.801			
clan culture item 3				.778			
clan culture item 4				.791			
clan culture item 5				.702			
clan culture item 6				.675			
adhocracy culture item 1						.620	
adhocracy culture item 2						.708	
adhocracy culture item 4						.567	
adhocracyculture item 5						.501	
adhocracy culture item 6						.618	
hierarchy culture item 1		.668					
hierarchy culture item 2		.607					
hierarchy culture item 3		.630					
hierarchy culture item 4		.787					
hierarchy culture item 5		.812					
hierarchy culture item 6		.721					
managing	.811						
managing	.801						
managing	.863						
displaying	.815						
displaying	.936						
displaying	.909						
releation	.855						
releation	.953						
cultivating	.918						
cultivating	.908						
cultivating	.882						
service innovation item 2			.543				
process innovation item 1			.585				
organizational performance item 1					.609		
organizational performance item 2					.763		
organizational performance item 3					.750		
organizational performance item 4					.605		
organizational performance item 5					.738		

Extraction Method: Maximum Likelihood.

Rotation Method: varimax with Kaiser Normalization.^a

Rotation converged in 8 iterations.

Source: researchers SPSS output

After the rotation and reduction, One questions of adhocracy (AC3) and one questions of relation (MR1) the researcher believed the remaining exploratory questions can address the questions sufficiently.

4.4.2 Confirmatory Factor Analysis (CFA)

Following the determination of the underlying structure using exploratory factor analysis and a principal component analysis method, confirmatory factor analysis (CFA), which bridges factor analysis with Structural Equation Modelling (SEM), was used to assess construct validity using model fit indices (Tabachnick and Fidell, 2007).

CFA is used to see if a defined factor model fits a set of observed data. It is also used to determine the validity of a single factor model and to compare the validation capability of two different models for the same set of data; it investigates the significance and relationship between two or more factor loadings; and it compares the validation capability of two different models for the same set of data, It determines whether a set of factors is correlated or uncorrelated, and it assesses a set of measures' convergent and discriminant validity (Brown, 2015). Structural Equation Modeling is closely related to CFA.

Structural equation modeling (SEM) is a statistical method that examines the relationships between latent and observed variables. Observed variables are those that are measured during the data collection process, whereas latent variables are those that are measured by connecting to observed variables because they cannot be measured directly. The structural equation model (SEM) is a multivariate statistical framework. It simulates complex relationships between variables that are observed both directly and indirectly (latent). It is a multi-step process that includes the solution of linear equation systems as well as the incorporation of systems and techniques. Path and factor analysis, simultaneous econometric equations, and latent growth curve modeling are some of the techniques used. (Barrett, 2007).

The goal of structural equation modeling is to estimate the parameters of a system of simultaneous equations (SEM). It helps researchers specify confirmatory Factor Analysis (CFA), regression analysis, and complex models (Kaplan and Miller, 2000). After determining the fundamental structure with EFA and PCA, model fit indices are used to evaluate construct validity. (Tabachnick, Fidell, and Ullman, 2007).

SEM, like factor analysis, is a powerful multivariate analysis technique. SEM, according to Holmes Smith (2007), primarily provides a concise summary of the interrelationships between variables. SEM, in addition to EFA, can include CFA, which can test specific hypotheses about the structure of factor loadings and inter-correlations. Second, similar to path analysis, SEM can use a linear equation system to test hypothesized relationships between constructs (Weston and Gore, 2006).

Byrne (2001) divided the SEM method into two models: the measurement model, which is concerned with the variables that are supposed to measure the concept, and the conceptual model (represent CFA model). It demonstrates how latent variables are represented by their respective indicators, and the structural model describes the relationships between latent variables, or constructs. Both models are referred to collectively as the composite, or full, structural model (Weston and Gore, 2006). SEM was carried out using the AMOS (Analysis of Moment Structures) software.

4.4.2.1 Measurement model

The measurement model, according to (Paschke 2009 as cited by Hussaini et al), produces the most parsimonious, well-fitting, and valid model. It is used to evaluate construct validity using convergent and discriminant validity. The full structural model will be valid and reliable if the measurement model is based on theory and well-defined constructs, resulting in a solid theoretical foundation for the subsequent structural model.

4.4.2.1.1 Construct validity

Convergent and discriminant validity were tested as construct validity assessments. The tests were performed on the entire measurement model (Sounders et al, 2009 as cited by Hussaini et al). This section provides an overview of convergent and discriminant validity, as well as measurement model construct validity results.

According to (Hair et al. 2010 as cited by Hussaini et al), construct validity, which focuses on individual construct measurement, is the extent to which a test measures what it was designed to measure. It assesses how well a set of measured items reflects the underlying factor model that those items are intended to measure. It refers to the appropriateness of inferences drawn from observations or measurements.

4.4.2.1.2 Convergent Validity

Convergent validity is defined as the degree to which individual items reflecting a construct converge when compared to items measuring different constructs. It determines whether items of the same variable or construct measure the same thing and, as a result, reveal correlations. (Hair et al., 2006 as cited by Hashmi et al., 2021)). The relationship between the observed and latent variable is measured using convergent validity.

Convergent validity is achieved when the critical ratios are outside the -1.96 to +1.96 z-value range and the p-values ($p < 0.05$), according to (Holmes-Smith 2007 as cited by Hashmi et al., 2021), which indicates that factor loadings are significantly different from zero is fulfilled. This test of significant factor loading is the most important criterion in determining factor validity. Convergent validity is assessed with a standard regression loading > 0.5 , significant p value at 95% confidence interval and critical ratios outside -1.96 to +1.96 z-range. (Hair et al. 2006 as cited by Hashmi et al., 2021), Squared multiple correlation value above 0.5 is accepted and below 0.4 are considered not to hold convergent validity.

4.4.2.1.3 Discriminant validity

Discriminant Validity measures how much different latent variables are from one another. It is a measure of the relationship between variables, and in this study it compares AVE and squared correlation. As shown below, the model does not violate the discriminant validity assumption; the AVEs are greater than the values of the Squared Correlation (Zait & Berteau, 2011; Holmes-Smith 2007 as cited by MBUTHIA, 2012).

4.4.2.1.4 Nomological validity

The term "nomological validity" refers to a type of construct validity. It evaluates the overall model's validity. A nomological validity test examines the relationship between structures (latent variables) and variables (indicators). It can be used for factor analysis. Nomological validity refers to the degree to which the summated scale accurately predicts other concepts in a theoretically based model. According to (Cronbach & Meehl 1955 as cited by Nguyen & Khoa, 2019), It is a relationship with measures of other constructs that, theoretically, should be related to it. The relationships that exist between constructs should be reflected in the relationships that exist between measures or observations. The researcher assumes that the model does not contradict theoretical findings and principles derived from previous research.

4.4.2.1.5 Goodness of fit

Validity of measurement model depends on goodness of fit indices (GOF) The validity of a measurement model is determined by goodness of fit (GOF) indices, which indicate how well the model reflects the data (Byrne, 2020). Despite the fact that there are numerous GOF indicators, only a few of them are usually reported. Absolute measures, incremental measures, and parsimonious fit measures are the three types of GOF indicators. Multiple GOF indices are used to ensure consistency in the empirical assessment (Byrne, 2020).

4.4.2.1.5.1 Absolute fit indices

(Byrne, 2020) stated that absolute fit indices determine how well the model fits the sample data, without being compared to other models and how well the proposed theory fits the data (Byrne, 2020). Absolute fit indices includes Chi-Squared test, RMSEA, GFI, AGFI, the RMR and the SRMR.

a. Chi square

According to (Byrne, 2020) the ratio of degrees of freedom to chi square for a model needs to be less than 5 to be acceptable. The Chi-Square value is the traditional measure for evaluating overall model fit and, 'assesses the magnitude of discrepancy between the sample and fitted covariance matrices (Byrne, 2020). One of the limitations of the Chi-Square statistic is it is sensitive to sample size, which means that the Chi-Square statistic nearly always rejects the model when large samples are used (Byrne, 2020). On the other hand, where small samples are used, the Chi-Square statistic lacks power and because of this may not discriminate between good fitting models and poor fitting models (Byrne, 2020).

b. Root mean square error of approximation (RMSEA)

The RMSEA tells how well the model, with unknown but optimally chosen parameter estimates would fit the population covariance matrix (Byrne, 2020). Recommendations for RMSEA cut-off points include a well-fitting model to have a lower value of and the upper limit to be less than 0.08. RMSEA gives an advantage to calculate confidence interval around it because of the known distribution values of the statistic (Byrne, 2020).

c. Goodness-of-fit statistic (GFI) and the adjusted goodness-of-fit statistic (AGFI)

The Goodness-of-Fit statistic (GFI) was created by Jöreskog and Sorbom as an alternative to the Chi-Square test and calculates the proportion of variance that is accounted for by the estimated population covariance. AGFI modifies the GFI based on degrees of freedom, with more saturated models having a lower fit (Byrne, 2020). GFI values range from 0 to 1, and it is generally accepted that values of 0.90 or higher indicate well-fitting models. According to (Byrne, 2020), a cut-off of 0.95 is more appropriate.

d. Root mean square residual (RMR) and standardized root mean square residual (SRMR)

The RMR and the SRMR are the square root of the difference between the sample covariance matrix residuals and the hypothesized covariance model. Values for the SRMR range from zero to 1.0 with well-fitting models obtaining values less than .05 (Byrne, 2020).

4.4.2.1.5.2 Incremental fit indices

Incremental fit indices are a class of indices that compare the chi-square value to a baseline model rather than using the chi-square in its raw form. The null hypothesis for these models is that all variables are uncorrelated. (Byrne, 2020).

a. Normed-fit index (NFI)

This statistic assesses the model by comparing the χ^2 value of the model to the χ^2 of the null model. The null/independence model is the worst case scenario as it specifies that all measured variables are uncorrelated. Values for this statistic range between 0 and 1 with Bentler and Bonnet (1980) recommending values greater than 0.90 indicating a good fit. More recent suggestions state that the cut-off criteria should be $NFI \geq .95$ (Byrne, 2020). A major drawback to this index is that it is sensitive to sample size,

b. CFI (Comparative fit index)

This statistic compares the sample covariance matrix to the null model, which assumes that all latent variables are uncorrelated (null/independence model). This statistic has values ranging from 0.0 to 1.0, with values closer to 1.0 indicating a good fit. Initially, a cut-off criterion of CFI 0.90 was proposed; however, a value of CFI 0.95 is now recognized as indicative of good fit. (Byrne, 2020).

4.4.2.1.5.3 Parsimony fit indices

The two parsimony fit indices as developed by (Byrne, 2020) are the Parsimony Goodness-of-Fit Index (PGFI) and the Parsimonious Normed Fit Index (PNFI). The PGFI is based upon the GFI by adjusting for loss of degrees of freedom. The PNFI also adjusts for degrees of freedom however it is based on the NFI. Mulaik et al (1989) suggested that a parsimony fit indices within the range of .50 if other goodness of fit indices achieve values over .90 is acceptable (Byrne, 2020). The CFA measurement model is built from the EFA output, which includes both latent and observed variables (indicators). The SPSS rotated component matrix was used as an input for the AMOS (Analysis of Moment Structure) software to perform CFA. This software is used by the researcher to analyze CFA and SEM.

As suggested by (Hair et al 2010 as cited by Byrne, 2020), a model is said to be correctly specified when it reproduces the sample covariance matrix well. When instances of specification error are noticed, the critical ratios (t-values), the squared multiple correlations (SMC) values, the standardized residuals and the modification indices (MI) were examined to re-specify the model. Taking this in to consideration necessary model re-specification was made, including dropping an item and re-running the measurement model.

Table 4.6 Proposed latent variables and indicators

A list of the variables that will be used in CFA

No.	Latent variables	Indicators (observed variables)
1	Clan culture	CC1,CC2,CC3,CC4,CC5,CC6
2	Adhocracy culture	AC1,AC2,AC4,AC5,AC6
3	Hierarchy culture	HC1,HC2,HC3,HC4,HC5,HC6
4	Innovation performance	IC1,IC2
5	Leadership competency	MD1,MD2,MD3,DD1,DD2,DD3,MR2,MR3,CT1,CT2,CT3
6	Organizational performance	OP1,OP2,OP3,OP4,OP5

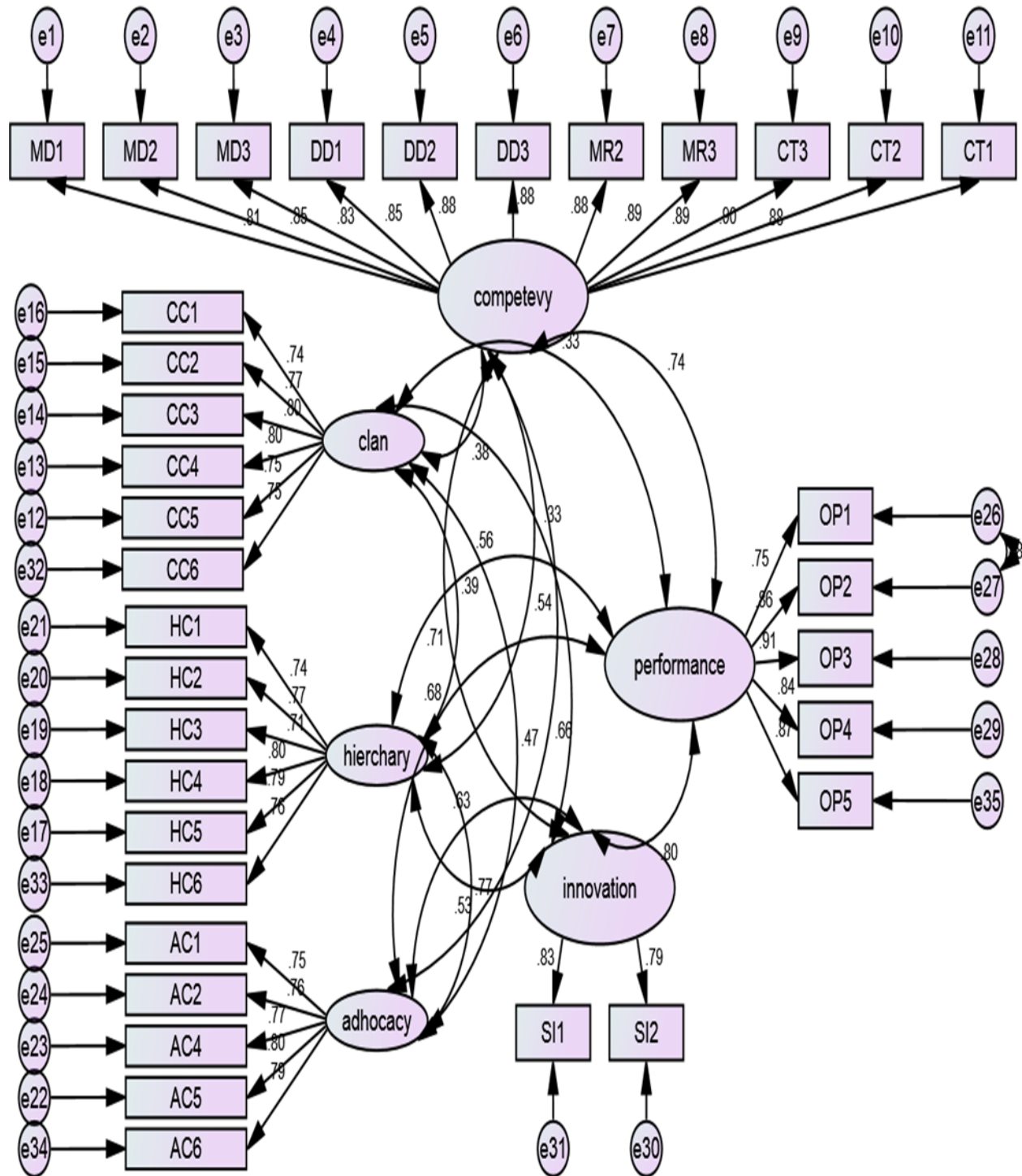


Figure 4.1 the complete CFA model (model 2)

Source: researcher's AMOS output

Table 4.7 goodness of fit for model 2

Result of CFA measurement model for convergent validity

<i>Chi square</i>		<i>Absolut Fit Indices</i>		<i>Incremental Fit Indices</i>		<i>Parsimony fit test</i>	
X2 (P value)	840.40 P VALUE (0.000)	RMSEA	0.046	CFI	0.960	PCFI	0.878
Df	544	RMR	0.043	IFI	0.961	PNFI	0.819
X2/df	1.545	CMIN/DF	1.545	TLI	0.957	GFI	0.846
Factor Loadings ***=p<0.001, **=p<0.01, *=p<0.05							

Source: Researcher's AMOS output

CFA model 1 was modified for some model fit issues (see Appendix 5). Model re-specification was done as suggested by modification indices and yielded a better model as can be observed in table 4.7. The CMIN/DF value is within the acceptable value of between 1 and 5 (1.545). In addition to this the RMSEA and RMR values are also in the acceptable range of <0.08. There values are 0.046 and 0.043 respectively.

The incremental fitness indices had a value of 0.960 for CFI, 0.961 for IFI and 0.957 for TLI, these are also in the acceptable range of ≥ 0.9 . The parsimony fit indices had values of 0.878, 0.819 and 0.846 for PCFI, PNFI and GFI respectively. The acceptable range for these indices is >0.5 . At P value of less than 0.001, all standardized regression weights (estimates) are significant. Squared multiple correlations (SMC) are not expected to be less than 0.4 in order for convergent validity to be satisfied and the result of the model showed that the SMC values are all in the acceptable cut value of above 0.4. (see Appendix 6). This shows that there is no problem of item reliability and convergent validity.

The researcher uses the correlations of each latent variable to test the discriminant validity of each item. All of the latent variables' correlations are less than the acceptable value of 0.8, indicating the presence of discriminant validity within the latent variables. (see Appendix 7).

Finally structural model was produced to assess the relationship between latent and observed variables.

4.5 Final reliability

Before proceeding with the structural model, the instrument was tested for reliability after validating all of the measurement factors underlying the research construct. Cronbach's Alpha, a common statistic for evaluating reliability, was used to calculate the coefficient of internal consistency. All of the instruments passed the minimum recommended acceptable value of 0.7 (Hair et al., 2010 as cited by Byrne, 2020). Thus, the measurement instrument is reliable. Table 4.8 shows the reliability estimates for each variable.

Instrument Reliability

Table 4.8 Cronbach alpha value of each variable

CONSTRUCT	NUMBER OF ITEMS	CHRONBACH'S ALPHA
Clan culture	6	.89
Adhocracy culture	5	.77
Hierarchy culture	6	.89
Leadership competency	11	.86
Service innovation	2	.81
Organization performance	5	.85

4.6 STRUCTURAL MODEL

4.6.1 Proposed model with mediating variable

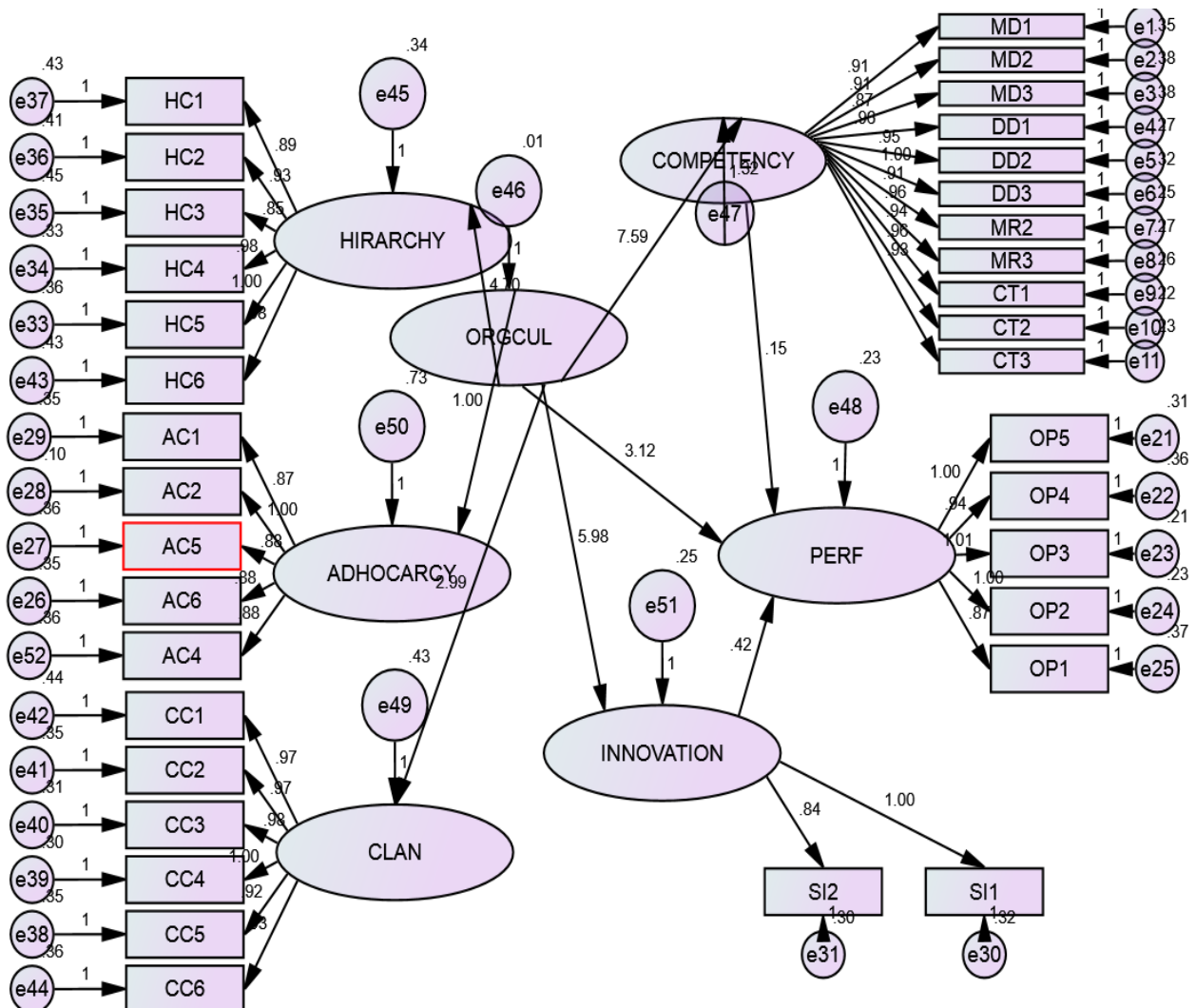


Figure 4.2 structural model

Table 4.9 the model fit for model 1, a model with mediating variable

Assessing the model fit for the model with mediating variable

<i>Chi square</i>		<i>Absolut Fit Indices</i>		<i>Incremental Fit Indices</i>		<i>Parsimony fit test</i>	
X2 (P value)	920.138 P VALUE (0.000)	RMSEA	0.051	CFI	0.951	PCFI	0.882
Df	552	RMR	0.051	IFI	0.951	PNFI	0.822
X2/df	1.667	CMIN/DF	1.667	TLI	0.947	GFI	0.833
COMPETENCY	<---	ORGCVL	7.859	1.417	5.545	***	
INNOVATION	<---	ORGCVL	6.777	1.230	5.509	***	
HIRARCHY	<---	ORGCVL	.893	.091	9.797	***	
ADHOCARCY	<---	ORGCVL	1.000				
CLAN	<---	ORGCVL	.523	.078	6.698	***	
PERFORMANCE	<---	COMPETENCY	.276	.066	4.206	***	
PERFORMANCE	<---	INNOVATION	.474	.093	5.076	***	
PERFORMANCE	<---	ORGCVL	.293	.146	2.009	.045	
MD1	<---	COMPETENCY	.913	.052	17.416	***	
MD2	<---	COMPETENCY	.914	.048	19.051	***	
MD3	<---	COMPETENCY	.872	.048	18.088	***	
DD1	<---	COMPETENCY	.959	.050	19.108	***	
DD2	<---	COMPETENCY	.946	.046	20.717	***	
DD3	<---	COMPETENCY	1.000				
MR2	<---	COMPETENCY	.910	.044	20.598	***	
MR3	<---	COMPETENCY	.962	.046	20.867	***	
CT1	<---	COMPETENCY	.938	.045	20.736	***	
CT2	<---	COMPETENCY	.959	.044	21.787	***	
CT3	<---	COMPETENCY	.924	.044	21.113	***	
OP5	<---	PERFORMANCE	.978	.051	19.093	***	
OP4	<---	PERFORMANCE	.935	.052	17.817	***	
OP3	<---	PERFORMANCE	.997	.047	21.223	***	
OP2	<---	PERFORMANCE	1.000				
OP1	<---	PERFORMANCE	.864	.051	16.797	***	
AC6	<---	ADHOCARCY	.992	.074	13.473	***	
AC5	<---	ADHOCARCY	1.000				
AC2	<---	ADHOCARCY	.988	.076	13.052	***	
AC1	<---	ADHOCARCY	.939	.074	12.735	***	
SI1	<---	INNOVATION	1.000				
SI2	<---	INNOVATION	.812	.067	12.108	***	
HC5	<---	HIRARCHY	1.000				
HC4	<---	HIRARCHY	.978	.071	13.717	***	
HC3	<---	HIRARCHY	.853	.072	11.896	***	
HC2	<---	HIRARCHY	.944	.073	12.999	***	
HC1	<---	HIRARCHY	.899	.072	12.467	***	
CC5	<---	CLAN	.919	.072	12.803	***	
CC4	<---	CLAN	1.000				
CC3	<---	CLAN	.988	.072	13.767	***	
CC2	<---	CLAN	.971	.073	13.237	***	
CC1	<---	CLAN	.977	.078	12.494	***	
HC6	<---	HIRARCHY	.983	.076	12.999	***	
CC6	<---	CLAN	.932	.073	12.849	***	

According to the above results, the value of CMIN/DF is 1.676, which is within the acceptable range, and the values of RMSEA and RMR are both acceptable. CFI, IFI, and TLI values are all within acceptable cut point of greater than 0.9 when approximated. In addition to this, all the parsimony fit indices fall above the acceptable value of 0.5. Therefore, the full structural model as indicated in model 1, in terms of the selected fit indices in SEM literature, is supported and accepted.

4.6.2 Proposed model without mediating variables

According to the results (see Appendix 8), the value of CMIN/DF is 1.991, which is within the acceptable range. The Absolut Fit Indices, Incremental Fit Indices and parsimony fit all fall within the acceptable values. Therefore, the full structural model of EO dimensions in terms of the selected fit indices in SEM literature, it is supported and accepted.

<i>Chi square</i>		<i>Absolut Fit Indices</i>		<i>Incremental Fit Indices</i>		<i>Parsimony fit test</i>	
X2 (P value)	408.197 P VALUE (0.000)	RMSEA	0.062	CFI	0.945	PCFI	0.839
Df	205	RMR	0.042	IFI	0.946	PNFI	0.796
X2/df	1.905	CMIN/DF	1.991	TLI	0.938	GFI	0.874
Factor Loadings ***=p<0.001, **=p<0.01, *=p<0.05							

4.7 Hypothesis Testing

HYP				Estimate	S.E.	C.R.	P	STATUS
Ha 1 without mediator	PERF	<-- -	ORGCUL	.906	.098	9.254	***	Significant
Ha 1 with mediator	PERF	<---	ORGCUL	.289	.144	2.007	.045	Significant
Ha 1.4 with mediator	PERF	<---	HIRARCHY	.076	.051	1.494	.135	Non-Significant
Ha 1.2 with mediator	PERF	<---	ADHOCARCY	.155	.085	1.811	.070	Non-Significant
Ha 1.1 with mediator	PERF	<---	CLAN	-.020	.058	-.348	.728	Non-Significant
Ha 1.4 without mediator	PERF	<---	HIRARCHY	.229	.063	3.649	***	Significant
Ha 1.2 without mediator	PERF	<---	ADHOCARCY	.648	.077	8.390	***	Significant
Ha 1.1 without mediator	PERF	<---	CLAN	.069	.073	.944	.345	Non-Significant

HYPOTHESIS 2

Table 4.10 summary of hypothesis to be tested

HYP				Estimate	S.E.	C.R.	P	label	STATUS
HYP	COMPETENCY	<---	ORGCUL	1.026	.105	9.724	***	A	Significant
	PERFORMANCE	<---	COMPETENCY	.295	.071	4.157	***	B	Significant
HYP	INNOVATION	<---	ORGCUL	.911	.099	9.225	***	E	Significant
	PERFORMANCE	<---	INNOVATION	.464	.092	5.045	***	F	Significant

4.7.1 Discussion of empirical findings

The present study aimed to examine the effect of organizational culture (independent variable) and the mediation effect of leadership competency and innovation performance on organization performance (dependent variable) was discussed, analyzed and contrasted with the previous findings.

4.7.1.1 Organizational culture

Ha1: Organizational culture has positive and significant effect on Organizational Performance

Ha.1.1: Clan culture has positive and significant effect on Organizational performance

Ha.1.2: Adhocracy culture has positive and significant effect on Organizational performance

Ha.1.3: Hierarchy culture has positive and significant effect on Organizational performance

Table 4.11 Result for hypothesis 1

Ha 1 with mediator	PERF	<-- -	ORGCUL	.289	.144	2.007	.045	Significant
Ha 1.3 with mediator	PERF	<-- -	HIRARCHY	.076	.051	1.494	.135	Non-Significant
Ha 1.2 with mediator	PERF	<-- -	ADHOCARC Y	.155	.085	1.811	.070	Non-Significant
Ha 1.1 with mediator	PERF	<-- -	CLAN	-.020	.058	-.348	.728	Non-Significant

WITHOUT MEDIATOR

Ha 1 without mediator	PERF	<-- -	ORGCUL	.906	.098	9.254	***	Significant
Ha 1.3 without mediator	PERF	<---	HIRARCHY	.229	.063	3.649	***	Significant
Ha 1.2 without mediator	PERF	<---	ADHOCARC Y	.648	.077	8.390	***	Significant
Ha 1.1 without mediator	PERF	<---	CLAN	.069	.073	.944	.345	Non-Significant

Source AMOS out put

As shown in table 4.11 coefficient of Organizational culture is 0.29 and 0.91 with and without mediator and p value of 0.045 and 0.000 respectively. This is consistent with previous research on organizational culture. (Cameron & Quinn, 2000) argued that when an organization's culture is more creative, it will improve its inefficient work processes and low-quality products, as well as reflect on past mistakes and propose solutions and a new way of thinking, allowing all organizations to achieve innovation and improved organizational performance.

As shown in table 4.11 the coefficient of Clan culture, Adhocracy and Hierarchy are 0.069, 0.648 and 0.229 respectively. Except Clan culture which has 0.345 P value, the remaining has shown positive and significance impact on Organizational performance of public institution. With regards to the relation between organizational culture and performance, there is evidence that the adhocracy culture is also the culture with the highest positive effect on performance, and that the effect of the hierarchy culture is positive. The clan culture that was found to have no effect on firm innovation does have an effect on performance (Julia, 2015). Taking into account the findings for the four types of culture, the conclusion may be drawn that flexibility versus stability and control orientation is more important than external orientation versus internal orientation when it comes to performance. That is to say, flexibility is a must to improve performance. External orientation is better than internal orientation but it must be combined with flexibility to have a positive effect on performance.

4.7.1.2 Mediating role of leadership competency and innovation performance.

Ha2: Leadership competency mediates the relationship between Organizational culture and Organizational performance

Ha3: Innovation performance mediates the relationship between Organizational culture and Organizational performance

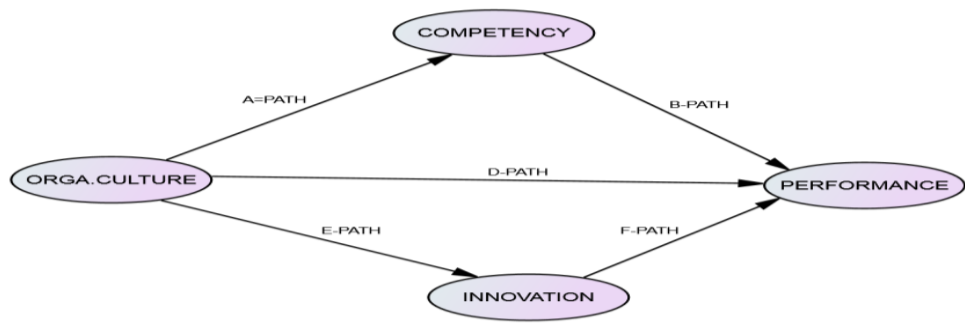


Figure 4.3 model for the two mediating variables

Table 4.12 result for hypothesis 2

			Estimate	S.E.	C.R.	P	Label	status
INNOVATION	<---	ORGCUL	.712	.075	9.531	***	E	significant
COMPETENCY	<---	ORGCUL	.946	.078	12.168	***	A	significant
PERFORMANCE	<---	ORGCUL	.266	.079	3.376	***	D	significant
PERFORMANCE	<---	COMPETENCY	.365	.045	8.023	***	B	significant
PERFORMANCE	<---	INNOVATION	.385	.047	8.128	***	F	significant

Source: AMOS output

Below, in the tables, indirect test one indicates the mediating impact of leadership competency between organizational culture and organizational performance and indirect test two indicates the mediating impact of innovation performance between organizational culture and organizational performance.

Table 4.13 indirect effects of mediating variables

Parameter	Estimate	Lower	Upper	P
indirecttest1	.384	.263	.466	.000
indirecttest2	.360	.279	.490	.000

Source: AMOS output

Table 4.14 (a) indirect effects of leadership competency

Indirecttest1=A_path*B_path (Exploratory IC mediation)

			Estimate	S.E.	C.R.	P	Label	status
PERFORMANCE	<---	COMPETENCY	.365	.045	8.023	***	B	significant
COMPETENCY	<---	ORGCUL	.946	.078	12.168	***	A	significant
	parameter	Estimate	Lower	Upper	P	status		
Ha2:	indirecttest1	.384	.263	.466	0.000	significant		

Source: AMOS output

Table 4.14(b) indirect effects of innovation performance

Indirecttest1=E_path*F_path (Exploratory IC mediation)

			Estimate	S.E.	C.R.	P	Label	status
INNOVATION	<---	ORGCUL	.712	.075	9.531	***	E	significant
PERFORMANCE	<---	INNOVATION	.385	.047	8.128	***	F	significant
	parameter	Estimate	Lower	Upper	P	status		
Ha3:	Indirecttes	.360	.279	.490	0.000	significant		

Source: AMOS output

The mediating role of both leadership competency and innovation performance was studied. The analysis investigated the effect of the two mediators on the relationship between Organizational culture and Innovation performance. According to Rungtusanatham et al. (2014), there are two hypotheses for mediation: segmentation and transmittal hypotheses. Three hypotheses should be developed for the segmentation approach: the independent variable's effect on the mediator, the mediator's effect on the outcome variable, and the mediation effect. The transmittal approach necessitates the formulation of a single hypothesis stating that the mediator mediates the relationship between the independent and dependent variables.

According to (Baron and Kenny's 1986 as cited by Skattebo, 2011), four steps must be completed to confirm a mediation effect.

1. In the absence of a mediator, the indirect variable has a significant effect on the direct variable.
2. The indirect variable has a significant impact on the mediator.
3. The mediator has a significant and unique effect on the direct variable, and
4. The effect of the indirect variable on the direct variable must be reduced when the mediator is included in the model.

One of the drawbacks of using the Baron and Kenny method is that all four steps must be significant before mediation can be considered. If one becomes insignificant, it will be concluded that no mediation is required. Multiple steps like this are criticized for causing type 1 errors (Rungtusanatham et al., 2014).

Hayes (2009) criticized Baron and Kenny's causal procedure, arguing that what matters in mediation analysis is the indirect effect (Hayes & Rockwood, 2016). Preacher and Hayes (2008) proposed a method of mediation known as "bootstrapping the indirect effect." A nonparametric resampling procedure known as bootstrapping has been recognized as a powerful and one of the more demanding methods for testing the mediating effect. Hair et al. (2013) proposed a similar method for mediating the effect. Measures of accuracy, such as bias, variance, confidence intervals, and so on, are assigned to sample estimates in Bootstrapping.

The bias-corrected bootstrap confidence interval is used to examine the mediation effect of leadership competency and innovation performance on the relationship between organizational culture and organizational performance, as proposed by Hayes and Scharkow (2013). According

to (Baron and Kenny 1986 as cited by Skattebo, 2011), when the mediator is controlled, complete/full mediation holds if the independent variable has no effect on the dependent variable. Partial mediation, on the other hand, is given when the independent variable influences the dependent variable through the mediating variable. In Baron and Kenny's approach, competitive mediation, no non-mediation, and direct only non-mediation all fall into the mediation category, which may result in rejection. In the cases listed below, mediation or non-mediation may occur.

1. Complementary mediation – one of the partial mediations in Baron and Kenny's approach, occurs when both direct and indirect effects are significant and in the same direction.
2. Competitive mediation - one of the partial mediations that occurs when both direct and indirect effects are significant but in opposite directions.
3. Indirect only mediation- when only the indirect is significant, full mediation occurs.
4. Direct-only non-mediation – occurs only when the direct impact is significant.
5. No non mediation - This term refers to when both the indirect and direct effects are insignificant. This demonstrates a failure to test mediation.

According to Preacher and Hayes (2008), a statistically significant indirect effect (t-value > 1.96, two-tailed, p 0.05) should be considered evidence for mediation (Preacher & Hayes, 2004; Zhao et al., 2010).

The above table (table 4.14a & b) indicated that leadership competency and innovation performance shows complimentary or partial mediation between Organizational culture and Organizational performance.

Direct, indirect and total effects

Table 4.15 indirect and direct effect of organizational culture on organizational performance

INDIRECT EFFECT		DIRECT EFFECT	
	Organizational culture		Organizational culture
Leadership competency	.000	Leadership competency	.946
Innovation performance	.000	Innovation performance	.712
Organizational performance	.669	Organizational performance	.266

Table 4.16 total effect of organizational culture on organizational performance

Total EFFECT	
	Organizational culture
Leadership competency	.946
Innovation performance	.712
Organizational performance	.885

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

The main objective of this thesis was to examine the relationship between Organizational culture and Organizational performance of public institution in Addis Abeba with the mediating role of leadership competency and innovation performance. The following summary, conclusion and recommendation are made based on the analysis and interpretation done in chapter four.

5.1. Summary of findings

In order to achieve the goal of this thesis, four research questions were posed. A total of 295 questionnaires were distributed to employees at five different public institutions, with more than 87% of usable responses returned. Structural Equation Modeling was used for the analysis (SEM). The software SPSS 23 and AMOS 23 were used. Cronbach alpha, reliability, discriminant and convergent validity, composite reliability, and model fit issues were all adequately evaluated. The majority of the composite reliability values and AVE calculated in this study met the recommended threshold values. The hypothesis was then put to the test. The majority of respondents (approximately 54%) were females, indicating that either the public institution favors females or there is an assumption that it is a female's job. The vast majority of employees are between the ages of 31 and 40. Furthermore, the employees at the public institution are well educated and experienced. This necessitates 61% degree holders and at least 5 years of experience. When the age, educational qualification, and experience of the employees were combined, the study became more reliable because it is thought to give more understanding to fill out and return the questionnaires.

The models revealed that organizational culture has a significant impact on organizational performance when both leadership competency and innovation performance are present, as well as when these mediators are absent. Organizational culture has a greater direct effect on organizational performance than it does an indirect effect.

5.2. Conclusions

This study looked at the impact of organizational culture, leadership competency, and innovation performance on public-sector organizational performance. The findings show that organizational culture variables contribute positively to innovation performance and leadership competency and that innovation performance and leadership competency affects organizational performance.

The specific conclusions are listed below:

Impact of organizational culture on innovation performance

This study discovered that organizational culture has a direct significant positive impact on innovation performance ($\beta = 0.712$) in the overall sample, with the supported type of organizational culture having the greatest impact. This result is consistent with Muffatto's (1998) as cited by Tang & Yeh, (2015) findings that organizational culture influences innovation. If organizational culture prioritizes innovation, the organization will devote more resources to innovating and exploring competitive advantage.

Impact of organizational culture on organizational performance

The overall model data analysis ($\beta = .266$) revealed that organizational culture had a positive impact on organizational performance. This supports the study's hypothesis that organizational culture has a positive impact on administrative performance, a finding that is consistent with (Cameron's, 1985) findings. If organizational culture is more creative, the organization will improve its inefficient work processes and low-quality products, as well as reflect on past mistakes and propose solutions and a new way of thinking, allowing all organizations to achieve innovation and improved organizational performance.

Impact of organizational culture on leadership competency

This study discovered that organizational culture has a direct significant positive impact on leadership competency ($\beta = .945$) in the overall sample, with the supported type of organizational culture having the greatest impact.

Impact of leadership competency on organizational performance

According to the analysis of the relationship between leadership competency and organizational performance, the overall model's leadership competency ($\beta = .360$) had a positive significant

impact on administrative performance. This finding is consistent with (IMMORDINO, 2010)) study on the relationship between leadership competency and performance, particularly its discovery that leadership competency is important.

Impact of innovation performance on organizational performance

Innovation performance had the greatest possible impact on organizational performance across the entire model ($\beta = .385$). The findings are consistent with the findings of a relationship study between innovation indicators and performance conducted by (Katheeri, 2016) who discovered a strong link between organizational innovation and performance. As a result, if the public sector can use the winners of a government service quality award as a learning benchmark and refer to their innovation directions as exertion, public sector performance, image, and honor will most likely improve.

Furthermore, the studies' conclusions are difficult to generalize due to differences in their main purpose, samples, methodologies, and measures used.

5.3. Recommendation

The study's findings suggested that public sector administration could be improved. The recommendations made to the organization are as follows:

According to the findings of this study, departments should create their own working culture to achieve the specific goals on their agenda. For example, if a department's priority is to improve service quality, it would be preferable to have elements of a clan culture as well as training to create empowered employees; particularly those involved in decision-making. Managers should prioritize participation and human development, which will increase alignment with departmental goals, particularly in terms of quality criteria.

According to the study findings, greater top management control and task time limits could improve the quantity of service output. It is critical to keep track of time in the department to assign specific times to specific tasks. Making a to-do list of daily or weekly tasks was one suggestion made by managers as a simple way of achieving specific goals and objectives. Formal performance programmers, as a yearly implementation path, can reinforce control and efficiency elements. Cameron and Quinn (1999) agree that using a logical, step-by-step system for describing and implementing policies is a good idea. Senior executives can also hold formal

orientation sessions on departmental values, visions, and strategies with the participation of other staff.

The findings also suggested that experience sharing should be implemented not only within but also across local government organizations for best practices to be more readily adopted. Leaders, according to Cameron and Quinn (2000), should ask their subordinates to create their vision statements and share them through focus groups, presentations, or inter-organizational events. Leaders should give employees more autonomy in the workplace to foster a more innovative culture, which will increase the number of innovations. To make success visible, a reward system for innovative ideas should be implemented (Cameron and Quinn, 2000).

Although the organizational reform process in Addis Ababa encourages this activity, strategic management in the public sector encourages a more rational approach to producing change. As a result – and following the study findings – an innovative culture should be linked with a more flexible and incremental approach to implementation to achieve better performance that not only measures goal accomplishment but also, more importantly, changes and improvement.

As a result, this study suggests that certain types of culture can be established and encouraged in organizations if a consistent implementation style is used. Creating a match between implementation styles and organizational culture types is one way to improve performance. For example, if an organization wants to create a hierarchy or market culture to perform better, it could incorporate a rational implementation model into its practices. Meanwhile, an organization would benefit from incremental implementation and its associated practices to improve the performance effects of adhocracy or clan types of culture. Although these recommendations apply to public sector organizations in general, specific conditions related to the unique setting examined within each public sector service or organization should also be considered as a contingency management perspective on organizational culture.

People Development and Succession planning

Employees need to be developed and coached, according to the findings. There is insufficient leadership competency practiced in the organization under study, which needs to be improved. It is recommended that Management implement and adhere to development and succession plans and that the leadership pipeline is optimized for the organization to prepare the best possible leaders for today and in the future. painting a clearer picture of success (what a high-performing

leaders looks like in terms of organizational knowledge, experiences, competencies, and personal attributes);

manage leaders in transition to help them move through transitions quickly and smoothly;

create leadership acceleration pools for high-potential individuals and accelerate development

Managing change is recommended that the organization's senior managers continuously develop change management competencies to be able to identify and sell the benefits of change, model the change expected of others, and establish roles and structures to support change. And it also suggests overcoming resistance to change by gaining followers' support and commitment, developing positive relationships, effective communication with followers, ensuring their participation in the change effort, and implementing changes fairly.

5.4. Limitations and Future Research

The findings of this study should be interpreted in light of the several limitations that may limit the study's conclusions. The initial goal of the study was to be able to conclude an individual variable's indicators. The researcher aggregated the main variables, but no conclusions could be drawn, so it was decided to test the hypotheses at the main variables. As a result, not all of the outcomes can be interpreted individually variables. Individual response rates were adequate, care should be taken when interpreting or generalizing the results. The sample size is large enough to test hypotheses and has a high enough statistical power to reveal potentially significant relationships. Furthermore, data was gathered from all departments with an overabundance of employees. As a result, future research should use a larger sample size to test the findings and strive for a more diverse workforce. Furthermore, as mediators, leadership competency and innovation could be tested. Other mediators, such as employee motivation, employees commitments, and political conditions, may also influence the relationship between organizational culture and organizational performance. It is also important to recognize that the findings of this study may overlook important issues such as how these construct relationships function in a larger network of constructs. As a result, it should be noted that this study only considers four constructs: organizational culture, leadership competency, innovation, and organizational performance variables, There is also reason to believe that several other constructs will interfere with how these constructs interact in practice. Many factors are likely to have an

impact on the structures under consideration. Such factors could be financial, technological, or cultural.

Due to time constraints, the cross-sectional nature of the study (implying that the data was only collected at one point in time) does not allow causality interpretations within the model presented. Because the possibility of reverse causality is always present in cross-sectional studies, they are unable to address causality issues. As a result, future research would benefit from using a longitudinal study to test for causality in similar models to enable valid causal directional inferences.

The information was gathered using questionnaires that contained previously used items. The study, however, relied on self-report data. Self-report bias may occur because people attempt to “maintain consistency between their cognitions and attitudes,” and it is not surprising that people responding to questions posed by researchers would have a desire to appear consistent. And, they may be rational in their responses and may look for similarities in the questions asked of them, resulting in relationships that would not otherwise exist at the same time in a real-life setting. The use of secondary source data may be advantageous to obtain the most accurate results. Organizational performance should be measured by two sources to avoid upwardly biased responses from self-rated measures. Leaders and members both evaluated performance. However, the results could have been different if the leader or clients, who were not among the respondents, had participated. However, time constraints made this impossible. Because self-report questionnaires were used, it was also subject to social desirability, which occurs when an individual answers questions in a socially acceptable manner. As a result, biased results may occur, affecting generalizability. However, while questions about leadership competency behavior may be sensitive, all participants completed the questionnaire anonymously, so there was no reason for them not to answer the questions honestly.

Individual differences such as personality and intelligence were not taken into account, and they may have an impact on organizational performance as well as levels of innovation. As a result, future research should account for individual differences. Furthermore, it may be beneficial to consider leadership competency and innovation as interdependent, as research has shown that leaders should strive to develop high levels of innovation for their organizations. However, this relationship was not supported in this study. As a result, future research should concentrate on

the dimensions of leadership competency and positive work outcomes such as organizational performance.

Finally, the researcher emphasizes that, while the hypotheses' tendencies can be drawn upon, it should be noted that this study does not provide a final solution to the problem at hand.

5.5. Practical Implications

The findings of this study can be used by public officials to establish organizational culture and leadership competency, as well as to foster organizational innovation. This study proposes practical managerial implications based on the methodology used and the results obtained, which are listed below:

Organizational culture will play a role in improving the public sector's ability to innovate. The organizational culture that is flexible, open, positive, and trusting, in particular, will have a greater impact on organizational innovation. As a result, the government can assist employees and encourage an innovative approach to improve organizational innovation. The development of a new cultural style will also improve administrative performance. To meet people's expectations of the public sector, the government may create an open and flexible organizational culture to improve its innovation capability.

The leadership competency to lead has a significant impact on administrative performance. In a fast-paced environment, practicing leadership competencies is critical. System thinking is the most important factor enabling leadership competency. Communication is ranked second, while technology application is ranked lower. It is therefore suggested that the public sector engages in holistic thinking while promoting new services to improve organizational innovation. It will be beneficial if cause-and-effect relationships, as well as public comments, can be considered during the planning stage. Internal organizational learning can also help to improve administrative performance. It is suggested that the public sector emphasize personnel learning, work experience sharing, and communication, particularly in non-winning units.

In terms of innovation ability, the public sector faces some constraints that limit its margin of change when compared to the private sector. The public sector, on the other hand, can create and develop organizational culture and leadership competency. They can create it from such aspects to improve both innovation and organizational performance.

Reference

- Acar, A. Z. (2012). *Organizational culture, leadership styles and organizational commitment in Turkish logistics industry.*
- Aklilu et.al. (2018). *Service Delivery Practice in Dire Dawa City Administration : Evidences from Selected Institutions.* 8(11), 38–48.
- Bekic, K. (2018). *The Relationship between Leadership and Organizational Culture.*
- Boloko, M. (2018). *An assessment of leadership competencies for effective change management in a chemical organisation MW Boloko Supervisor : May.*
- Byrne, B. M. (2020). Structural Equation Modeling with AMOS Basic Concepts, Applications, and Programming. In *Structural Equation Modeling With AMOS (SECOND EDI).*
<https://doi.org/10.4324/9780203805534-23>
- Cameron, K. S., & Quinn, R. E. (n.d.). Diagnosing and Changing Organizational Culture Based on the Competing Values Framework. In *Zhonghua shao shang za zhi = Zhonghua shaoshang zazhi = Chinese journal of burns (REVISED ED, Vol. 16, Issue 1).* The Jossey-Bass Business & Management Series.
- Chen, Z., Huang, S., Liu, C., Min, M., & Zhou, L. (2018). Fit between organizational culture and innovation strategy: Implications for innovation performance. *Sustainability (Switzerland),* 10(10), 1–18. <https://doi.org/10.3390/su10103378>
- CISL. (2016). *Global Definitions of Leadership and Theories of Leadership Development : Literature Review.*
- Creswell., J. W. (2014). *Research design : qualitative, quantitative, and mixed methods approaches* (4th ed.). SAGE Publications, Inc.

- CSA. (2012). the Federal Democratic Republic of Ethiopia: Statistical Report on the 2012 Urban Employment Unemployment Survey. *Central Statistical Authority*, 16, 42–47.
- G.Northouse, P. (2016). *Leadership Theory and Practice* (seventh ed).
- GENC, E. (2017). *STRATEGY IMPLEMENTATION , ORGANIZATIONAL CULTURE AND PERFORMANCE IN TURKISH LOCAL GOVERNMENT BY ELIF GENC A Thesis Submitted in Fulfilment of the Requirements for the Degree of Doctor of Philosophy of Cardiff University Management , Employment and Organiz. December.*
- Hashmi, A. R., Amirah, N. A., & Yusof, Y. (2021). Organizational performance with disruptive factors and inventory control as a mediator in public healthcare of Punjab, Pakistan. *Management Science Letters*, 11, 77–86. <https://doi.org/10.5267/j.msl.2020.8.028>
- Hinds, S. (2019). *Influence of Organizational Culture and Leadership Styles on Nonprofit Staff Members ' Commitment.*
- HUSSAINI, U., BAKAR, A. A., & YUSUF, M.-B. O. (2018). The Effect of Fraud Risk Management, Risk Culture, on the Performance of Nigerian Banking Sector: Preliminary Analysis. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 8(3), 224–237. <https://doi.org/10.6007/ijarafms/v8-i3/4798>
- Karamat, A. U. (2013). *Impact of Leadership on Organizational Performance.*
- Khamis, K. M. (2013). *EFFECTS OF LEADERSHIP STYLES ON THE PERFORMANCE OF SOFT DRINK INDUSTRY : A CASE OF ZANZIBAR BOTTLERS.*
- Kline, R. B. (2015). *TXTBK Principles and practices of structural equation modelling Ed. 4 ***.*
In *Methodology in the social sciences.*
- Kohler, R. (2014). *Optimization of Leadership Style New Approaches to Eff ective Multicultural*

Leadership in International Teams. Springer Fachmedien Wiesbaden.

KOTHAR, C. R. (2004). *Research Methodology*. NEW AGE INTERNATIONAL (P) LIMITED, PUBLISHERS.

Lykke Margot Ricard, Erik Hans Klijn, J. M. L. & T. Y. (2017). Assessing public leadership styles for innovation: a comparison of Copenhagen, Rotterdam and Barcelona. *Public Management Review*, 19(2), 134–156. <https://doi.org/10.1080/14719037.2016.1148192>

Manxhari, M. (2017). Developing Models of Managerial Competencies of Managers : a Review. *International Journal of Economics, Commerce and Management*, V(4), 186–200.

Mats Alvesson and Stefan Sveningsson. (2016). *Changing Organizational Culture Cultural change work in progress* (second edi).

MBUTHIA, M. G. (2012). *USING STRUCTURAL EQUATION MODELLING TO EVALUATE THE CUSTOMER'S TRUST AND LOYALTY IN AKUH*, N. June.

Muhammad Abid Marzuki, B. T. and M. (2019). *THE MEDIATING EFFECT OF ACHIEVEMENT MOTIVATION ON THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND INNOVATIVE BEHAVIOR IN PUBLIC SECTOR*. 7(6), 1101–1110. <https://doi.org/10.21474/IJAR01/9929>

MWITHI, J. M. (2016). *EFFECT OF LEADERSHIP COMPETENCIES ON PERFORMANCE OF STATE CORPORATIONS IN (Leadership and Governance) JOMO KENYATTA UNIVERSITY OF*.

Nguyen, M. H., & Khoa, B. T. (2019). Perceived mental benefit in electronic commerce: Development and validation. *Sustainability (Switzerland)*, 11(23), 1–21.

<https://doi.org/10.3390/su11236587>

- Oberföll, K. (2021). *Relationship between organizational culture and performance among German multinational companies in Mexico*. 10(2018), 24–47.
- Ogbonna, E., & Harris, L. C. (2000). *Leadership style , organizational culture and performance : empirical evidence from UK companies*. August, 766–788.
- Robbins, S. P., & Coulter, M. (2002). *Management (activebook), 7/e*. Prentice-Hall, Inc.A Pearson Education Company.
- Robert N. Lussier and Christopher F. Achua. (2010). *LEADERSHIP Theory, Application, & Skill Development* (a part of C. L. South-Western & ALL (eds.)).
- Schein, E. H. (2004). *Organizational Culture and Leadership* (Third Edit).
- Schein, E. H. (2010). *Organizational Culture and Leadership* (Fourth Edi). Jossey-Bass A Wiley Imprint.
- Sekaran, U. (2003). *RESEARCH METHODS FOR BUSINESS A Skill-Building Approach* (Fourth Edi). John Wiley & Son.
- Stig Ottosson , Anastasiia Moldavska , Olga Ogorodnyk, and T. S. (2017). *Leadership, Innovation and Entrepreneurship as Driving Forces of the Global Economy Proceedings of the 2016 International Conference on Leadership, Innovation and Entrepreneurship (ICLIE)* (R. B. and M. Sparer (ed.)). Springer Proceedings in Business and Economics.
https://doi.org/10.1007/978-3-319-43434-6_10
- Szczepa, K. (2015). *Leadership and organizational culture as the normative influence of top management on employee ' s behaviour in the innovation process*. 34(15), 396–402.
[https://doi.org/10.1016/S2212-5671\(15\)01646-9](https://doi.org/10.1016/S2212-5671(15)01646-9)
- Tang, L. L., & Yeh, Y. L. (2015). Effect of organizational culture, leadership style, and

organizational learning on organizational innovation in the public sector. *Journal of Quality*.

[https://doi.org/10.6220/joq.2015.22\(5\).06](https://doi.org/10.6220/joq.2015.22(5).06)

Taticchi, P., Tonelli, F., & Cagnazzo, L. (2010). Performance measurement and management: A literature review and a research agenda. *Measuring Business Excellence*, 14(1), 4–18.

<https://doi.org/10.1108/13683041011027418>

Tesfaye. (2009). *Business process reengineering in Ethiopian public organizations: the relationship between theory and practice*. 283.

Appendices

Appendix 1: Info participant's survey

I am in the process of completing my studies towards a Master of Degree in Business Administration (MBA), and this research study forms part of the requirements of the qualification. The objective of this thesis is to assess the relationship between organizational culture, leadership competency, and innovation and administrative performance in Lideta sub-city public administration Addis Abeba.

Your participation in this study is entirely voluntary. This project is not associated with any foreseeable risks. However, if you are uncomfortable answering any of the questions, you can exit the survey at any time. Your survey responses will be kept strictly confidential, and data from this study will only be reported in aggregate. Your information will be coded and kept private.

If you have any questions about the survey or the procedures, please feel free to contact me at any time at the following addresses: 09 29 05 04 10 (Tsegaye)

I apologize for the length of the questionnaire; however, the nature of the study prevents me from shortening it in any way. I must learn your thoughts. Your assistance is greatly valued and appreciated, and I would like to express my heartfelt gratitude in advance for your gracious participation.

Note:-

You don't need to write your name.

Thank you ahead of time.

Appendix 2: Questionnaire

PART 1: BACKGROUND INFORMATION

This section of the questionnaire refers to background information.

1.1 Please indicate your gender by ticking against the relevant box.

- Male Female

1.2 What is your age in years? (Tick one)

- 21-30 31-40 41-50 51-60

1.3 What is the highest level of learning you have attained? (Tick one)

- Secondary/O level certificate diploma bachelor degree master degree PhD

1.4 Please state your job category by ticking against the relevant box.

- Top Management Middle Management Operative

1.5 How long have you worked for your current organization? (Tick one)

- Below 5 years 5- 10 years 11-15 years Over15 years

PART 2: ORGANIZATIONAL CULTURE

2.1. CLAN CULTURE

Please Tick one your level of concurrence or disagreement with each of the following statements on a scale of 1 to 5 (strongly disagree, disagree, neutral, agree, and strongly agree) on the way clan culture in your office promotes organizational performance.

The management approach in your company is exemplified by teamwork.

- strongly disagree neutral agree strongly agree

The glue that binds your company together is mutual trust.

- strongly disagree neutral agree strongly agree

Your company emphasizes human resource development as one of the success factors.

- strongly disagree neutral agree strongly agree

Your company is an individual place like an extended family.

- strongly disagree neutral agree strongly agree

The leadership in your organization exemplifies mentoring and nurturing characteristics.

strongly disagree neutral agree strongly agree

Your organization defines achievement on the foundation of concern for employees.

strongly disagree neutral agree strongly agree

2.2. ADHOCRACY CULTURE

The management of employees in your organization is characterized by the promotion of the individual initiative.

strongly disagree neutral agree strongly agree

Operations in your organization are exemplified by entrepreneurship spirit.

strongly disagree neutral agree strongly agree

One of the strategic priorities in your organization is the acquirement of the latest resources.

strongly disagree neutral agree strongly agree

The glue that binds your company together is an obligation to originality and improvement.

strongly disagree neutral agree strongly agree

In your organization, originality and search for opportunities are valued.

strongly disagree neutral agree strongly agree

In your organization, there is a commitment to the creation of new ways of providing services to customers.

strongly disagree neutral agree strongly agree

2.3 MARKET CULTURE

The glue that binds your company together is stress on goal achievement.

strongly disagree neutral agree strongly agree

Management of employees in your company is exemplified by the encouragement of competitive spirit.

strongly disagree neutral agree strongly agree

Management in your company is illustrated by having a results-oriented focus.

strongly disagree neutral agree strongly agree

Managers and subordinates jointly set goals that are ambitious but realistic.

strongly disagree neutral agree strongly agree

In your organizations, measurement of targets and objectives is undertaken on regular basis.

strongly disagree neutral agree strongly agree

Management style in your organization is characterized by goal achievement.

strongly disagree neutral agree strongly agree

2.4 HIERARCHY CULTURE

The glue that binds your company together is prescribed regulations.

strongly disagree neutral agree strongly agree

Management style in your company is exemplified by the security of tenure.

strongly disagree neutral agree strongly agree

Your organization defines achievement on the foundation of efficient service delivery.

strongly disagree neutral agree strongly agree

The management approach in your company is illustrated by careful monitoring of performance.

strongly disagree neutral agree strongly agree

The values shared by staff in your organization are respect for and compliance with policies.

strongly disagree neutral agree strongly agree

An organization will perform well if there is consistency between the values of its employees and the organization.

strongly disagree neutral agree strongly agree

PART 3: LEADERSHIP COMPETENCY

	leadership competencies	1 strongly disagree	2 disagree	3 neutral	4 agree	5 strongly agree
25	My leader provides people with assignments to develop their skills					
26	My leader gives timely coaching,					
27	My leader acts as a role model for development.					
28	My leader defines acceptable workplace behaviour,					
29	My leader challenges bias and intolerance,					
30	My leader acts as a role model of inclusive behavior.					
31	My leader seeks feedback					
32	My leader sets personal development goals					
33	My leader shows a sense of humor and perspective.					
34	My leader starts tasks right away					
35	My leader get things done quickly					
36	My leader is ready to go the extra mile.					
37	My leader sells the benefits of change					
38	My leader establishes roles and structures to support change.					
39	My leader models the change expected of others					
40	My leader sets high standards for customer service					
45	My leader resolves customer issues quickly.					
46	My leader exceeds customer expectations					
47	My leader sets the team's direction and priorities					
48	My leader reviews the team's successes and failures					
49	My leader helps team members work well together.					

PART 4: INNOVATION

4.1 SERVICE INNOVATIONS

In new service introduction, our office is often first-to-customers.

strongly disagree neutral agree strongly agree

Our new services are often perceived as a very novel by customers.

strongly disagree neutral agree strongly agree

4.2 PROCESS (ADMINISTRATIVE) INNOVATIONS

Development of new channels for services offered by our office is an ongoing process.

strongly disagree neutral agree strongly agree

We deal with customers' suggestions or complaints urgently and with utmost care.

strongly disagree neutral agree strongly agree

We constantly emphasize and introduce managerial innovations (e.g. computer-based administrative innovations, new employee reward/training schemes, new departments, etc.).

strongly disagree neutral agree strongly agree

4.2 INNOVATIVENESS (INNOVATIVE CULTURE)

Innovation proposals are welcome in the office.

strongly disagree neutral agree strongly agree

Leader actively seeks innovative ideas.

strongly disagree neutral agree strongly agree

People are not penalized for new ideas that do not work.

PART 5 ORGANIZATIONAL PERFORMANCES

Hereinbelow are some of the non-financial indicators of organizational performance. Please indicate your company's performance against the indicators in the last 4 years on a scale of 1 to 5 (1 - very poor, 2 - poor, 3 - fair, 4 - good, and 5 - excellent).

	Performance Indicator	1 Very Poor	2 Poor	3 Fair	4 Good	5 Excellent
1	Quality of outputs (e.g. reliability of service delivery)					
2	Quantity of outputs (e.g. volume of service delivery).					
3	Citizen satisfaction					
4	Employee satisfaction					
5	Equity (e.g. services are fairly distributed amongst local citizens)					

Appendix 3: Common Method Bias

Total Variance Explained

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	27.649	47.671	47.671	27.155	46.820	46.820	24.807
2	4.532	7.813	55.484	4.289	7.395	54.215	17.094
3	3.156	5.441	60.925	2.576	4.442	58.657	16.126
4	2.138	3.687	64.612	2.008	3.463	62.119	7.762
5	1.348	2.325	66.936	.982	1.693	63.812	16.954
6	1.201	2.071	69.008	.894	1.542	65.354	17.070
7	1.030	1.776	70.783	.633	1.091	66.445	.794
8	.817	1.409	72.192				
9	.776	1.338	73.531				
10	.735	1.268	74.799				
11	.697	1.201	76.000				
12	.657	1.132	77.132				
13	.629	1.085	78.217				
14	.615	1.060	79.277				
15	.583	1.006	80.283				
16	.560	.965	81.248				
17	.536	.924	82.173				
18	.506	.873	83.046				
19	.489	.844	83.889				
20	.481	.829	84.719				
21	.468	.807	85.526				
22	.449	.774	86.299				
23	.431	.743	87.042				
24	.411	.709	87.752				
25	.380	.655	88.407				
26	.367	.632	89.039				
27	.352	.606	89.646				
28	.345	.596	90.241				
29	.335	.577	90.818				
30	.312	.538	91.356				
31	.309	.533	91.889				
32	.292	.504	92.393				
33	.288	.496	92.889				
34	.282	.486	93.375				
35	.270	.465	93.840				
36	.261	.450	94.290				
37	.240	.414	94.704				
38	.234	.403	95.107				
39	.228	.393	95.500				
40	.220	.379	95.878				
41	.205	.353	96.232				
42	.198	.341	96.572				
43	.189	.325	96.897				
44	.180	.311	97.208				
45	.170	.293	97.501				
46	.159	.273	97.774				
47	.146	.251	98.025				
48	.136	.234	98.260				
49	.135	.232	98.492				
50	.126	.218	98.710				
51	.124	.213	98.923				
52	.116	.199	99.123				
53	.103	.178	99.300				
54	.099	.170	99.470				
55	.088	.151	99.622				
56	.080	.138	99.760				
57	.076	.131	99.891				
58	.063	.109	100.000				

Extraction Method: Maximum Likelihood.

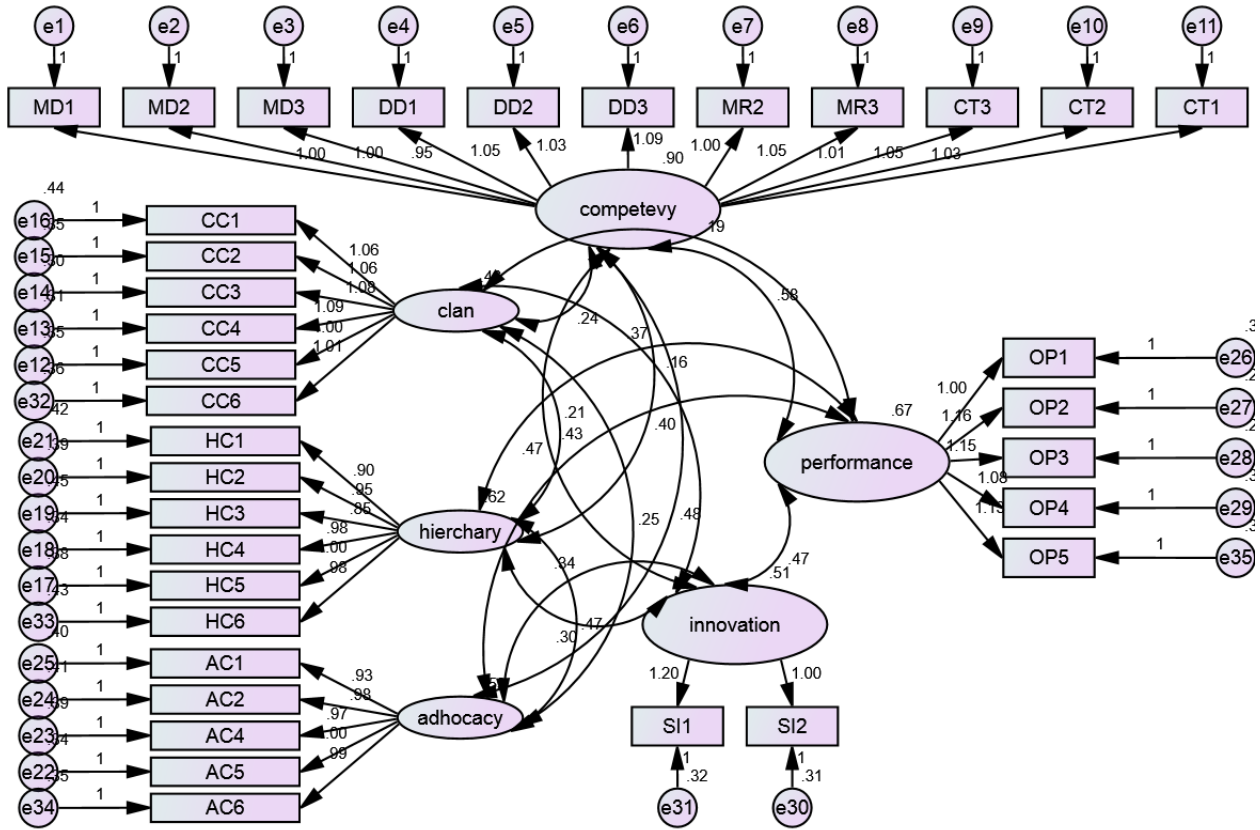
a. When factors are correlated, sums of squared loadings cannot be added to obtain a total variance.

Appendix 4: Communalities

Communalities		
	Initial	Extraction
clan culture item 1	.587	.559
clan culture item 2	.667	.632
clan culture item 3	.699	.670
clan culture item 4	.685	.642
clan culture item 5	.653	.603
clan culture item 6	.642	.609
adhocracy culture item 1	.633	.570
adhocracy culture item 2	.671	.626
adhocracy culture item 3	.716	.593
adhocracy culture item 4	.717	.606
adhocracy culture item 5	.671	.607
adhocracy culture item 6	.678	.622
market culture item 1	.673	.565
market culture item 2	.690	.566
market culture item 3	.664	.527
market culture item 4	.740	.663
market culture item 5	.699	.615
market culture item 6	.646	.579
hierarchy culture item 1	.628	.598
hierarchy culture item 2	.664	.573
hierarchy culture item 3	.599	.502
hierarchy culture item 4	.704	.624
hierarchy culture item 5	.697	.628
hierarchy culture item 6	.660	.578
coaching	.701	.540
coaching	.736	.621
coaching	.806	.727
managing	.788	.694
managing	.798	.719
managing	.771	.694
learning	.796	.728
learning	.803	.737
learning	.803	.738
displaying	.805	.746
displaying	.851	.778
displaying	.853	.773
implemeting	.813	.768
implemeting	.852	.825
implemeting	.833	.760
releation	.819	.733
releation	.838	.784
releation	.846	.785
cultivating	.840	.783
cultivating	.854	.813
cultivating	.842	.814
service innovation item 1	.653	.546
service innovation item 2	.669	.538
process innovation item 1	.663	.602
process innovation item 2	.680	.636
process innovation item 3	.642	.628
innovation culture item 1	.716	.604
innovation culture item 2	.761	.671
innovation culture item 3	.721	.647
organizational performance item 1	.781	.668
organizational performance item 2	.872	.841
organizational performance item 3	.818	.815
organizational performance item 4	.768	.684
organizational performance item 5	.776	.742

Extraction Method: Maximum Likelihood.

Appendix 5: model fit



Appendix 6: Convergent validity

Convergent validity

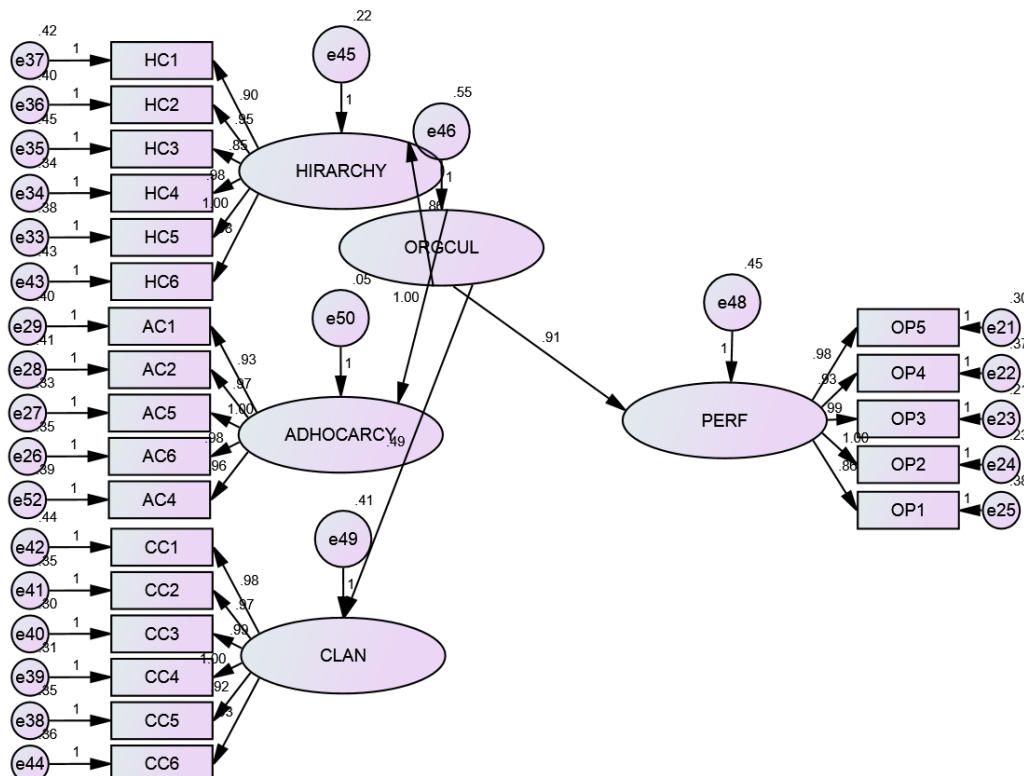
items	Variables	Estimate	S.E.	C.R.	P	SMS	Comment
MD1	<-- - Competency	.914	.052	17.427	***	.835	Con. validity
MD2	<-- - competency	.915	.048	19.041	***	.837	Con. validity
MD3	<-- - competency	.872	.048	18.073	***	.760	Con. validity
DD1	<-- - competency	.959	.050	19.092	***	.919	Con. validity
DD2	<-- - competency	.945	.046	20.654	***	.893	Con. validity
DD3	<-- - competency	.960	.044	21.804	***	.921	Con. validity
MR2	<-- - competency	.911	.044	20.635	***	.829	Con. validity
MR3	<-- - competency	.962	.046	20.843	***	.925	Con. validity
CT3	<-- - competency	.925	.044	21.138	***	.855	Con. validity
CT2	<-- - competency	.960	.044	21.804	***	.921	Con. validity
CT1	<-- - competency	.938	.045	20.713	***	.879	Con. validity
CC5	<-- - clan	.919	.072	12.788	***	.844	Con. validity
CC4	<-- - clan	.991	.072	13.799	***	.982	Con. validity
CC3	<-- - clan	.991	.072	13.799	***	.982	Con. validity
CC2	<-- - clan	.972	.073	13.229	***	.944	Con. validity
CC1	<-- - clan	.977	.078	12.474	***	.954	Con. validity
HC5	<-- - Hierarchy	.980	.071	13.734	***	.960	Con. validity
HC4	<-- - Hierarchy	.980	.071	13.734	***	.960	Con. validity
HC3	<-- - Hierarchy	.851	.072	11.844	***	.724	Con. validity
HC2	<-- - Hierarchy	.947	.073	13.042	***	.896	Con. validity
HC1	<-- - Hierarchy	.901	.072	12.484	***	.811	Con. validity
	<--						Con. validity

Appendix 7: Discriminant validity

Discriminant validity

		Estimate	Discriminant validity holds
clan	<--> hierarchy	.394	Discriminant validity holds
hierarchy	<--> adhocracy	.768	Discriminant validity holds
clan	<--> adhocracy	.473	Discriminant validity holds
competency	<--> clan	.379	Discriminant validity holds
competency	<--> hierarchy	.540	Discriminant validity holds
competency	<--> adhocracy	.663	Discriminant validity holds
hierarchy	<--> innovation	.529	Discriminant validity holds
competency	<--> innovation	.705	Discriminant validity holds
performance	<--> innovation	.799	Discriminant validity holds
competency	<--> performance	.735	Discriminant validity holds
adhocracy	<--> innovation	.626	Discriminant validity holds
clan	<--> innovation	.326	Discriminant validity holds
adhocracy	<--> performance	.678	Discriminant validity holds
hierarchy	<--> performance	.560	Discriminant validity holds
clan	<--> performance	.333	Discriminant validity holds

Appendix 8: MODEL WITHOUT MEDITORES



Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793 ^a	.629	.620	4.06566

a. Predictors: (Constant), OC, Sex of respondents, job category, Level of education, Age of respondents, Service year

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.102	2.730		.404	.687		
	Sex of respondents	-.436	.515	-.033	-.847	.398	.974	1.026
	Age of respondents	.111	.340	.015	.327	.744	.735	1.360
	Level of education	-.117	.378	-.012	-.309	.757	.967	1.035
	job category	.984	.633	.061	1.554	.121	.961	1.040
	Service year	-.075	.311	-.011	-.241	.809	.723	1.383
	OC	.269	.013	.792	20.132	.000	.959	1.043

a. Dependent Variable: OI

Appendix 9: Regression analysis leadership competency

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.762 ^a	.581	.571	2.57681

a. Predictors: (Constant), Service year, Sex of respondents, Level of education, job category, OC, Age of respondent

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.034	1.730		1.176	.241		
	OC	.154	.008	.761	18.198	.000	.959	1.043
	Sex of respondents	-.201	.326	-.025	-.615	.539	.974	1.026
	Age of respondents	.145	.215	.032	.671	.503	.735	1.360
	Level of education	-.047	.239	-.008	-.196	.845	.967	1.035
	job category	-.054	.401	-.006	-.136	.892	.961	1.040
	Service year	-.161	.197	-.039	-.816	.416	.723	1.383

a. Dependent Variable: OP

Appendix 10: Regression analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829 ^a	.687	.677	2.23763

a. Predictors: (Constant), Service year, Sex of respondents, LC, job category, Level of education, Age of respondents, OI, OC

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.999	1.513		.660	.510		
	OC	.050	.014	.247	3.659	.000	.277	3.612
	OI	.231	.037	.387	6.199	.000	.324	3.088
	LC	.053	.013	.258	4.059	.000	.312	3.205
	Sex of respondent	-.113	.284	-.014	-.398	.691	.971	1.030
	Age of respondent	.128	.187	.028	.682	.496	.735	1.361
	Level of education	.092	.210	.016	.441	.659	.951	1.051
	job category	-.271	.351	-.028	-.774	.440	.950	1.052
	Service year	-.056	.172	-.014	-.324	.746	.713	1.403

a. Dependent Variable: OP

Appendix 11: Ameharic verion of questionnaire

አዲስ አበባ ዩኒቨርሲቲ
ቢዝነስ አስተዳደርና ኢኮኖሚክስ ኮሌጅ

ትምህርቱን በማስተርስ ቢዝነስ አስተዳደር (ኤምቤኤ) ለማጠናቀቅ በሂደት ላይ ነኝ ፣ እናም ይህ የምርምር ጥናት የብቁነት መስፈርቶች አካል ነው ። የዚህ ምርምር ዓላማ በመስራያቤት ባህል ፣ በአመራር ብቃት፣ በፈጠራ እና በቢሮ አፈፃፀም መካከል ያለውን የግንኙነት በአዲስ አበባ ልዩታ ክፍለ ከተማ ዳሰሳ ጥናት ማድረግ ነው ።

በዚህ ጥናት ውስጥ ያለዎት ተሳትፎ ሙሉ በሙሉ በፈቃደኝነት ነው ። ከዚህ ጥያቄ ከተቀበሉ በኋላ ተጨማሪ የሚገጥሙ አደጋዎች የሉም ። ሆኖም ማንኛውንም ጥያቄ ለመመለስ የማይመች ሆኖ ከተሰማዎት በማንኛውም ጊዜ ከዳሰሳ ጥናቱ መውጣት ይችላሉ ። የእርስዎ የዳሰሳ ጥናት ምላሾች በጥብቅ ምስጢር ይጠበቃሉ እና ከዚህ ምርምር የተገኘው መረጃ በጥቅሉ ብቻ ነው የሚዘገበው። መረጃዎ ኮድ ተደርጎ ሚስጥራዊ ሆኖ ይቀጥላል።

ስለ ዳሰሳ ጥናቱ ወይም ስለ አሠራሩ ጥያቄዎች ካሉዎት በሚቀጥሉት አድራሻዎች በማንኛውም ጊዜ ሊያገኙኝ ይችላሉ ።

09 29 05 04 10 (ፀጋዬ)

ለመጠይቁ ርዝመት ይቅርታ እጠይቃለሁ ፣ ሆኖም የጥናቱ ተፈጥሮ በምንም መንገድ እንዳሳጥር አይፈቅድልኝም ። የእርስዎ ትብብር በጣም ዋጋ ያለው እና አድናቆት ያለው በመሆኑ ለደግፊ ተሳትፎዎ ከልብ የመነጨ ምስጋናዬን ለመግለጽ እፈልጋለሁ።

ማስታወሻ:-ስምዎን እንዲጽፉ አይጠየቁም

ክፍል 1- የግል መረጃ

ይህ የመጠይቅ ክፍል የግል መረጃን ያመለክታል ።

- 1.1 እባክዎን በሚመለከተው ሳጥን ላይ ምልክት በማድረግ ይታዩ ወንድ ሴት
- 1.2 ዕድሜዎ በስንት እድሜ ደረጃ ውስጥ ይገኛል? 21-30 31-40 41-50 51-60
- 1.3 የትምህርት ደረጃ ምንድነው? የሁለተኛ ደረጃ የምስክር ወረቀት ዲፕሎማ የመጀመሪያ ዲግሪ ማስተርስ ፒኤችዲ
- 1.4 እባክዎን የሥራ ምድብዎን ይግለጹ። ከፍተኛ አስተዳደር መካከለኛ አስተዳደር አፕሬቲንግ
- 1.5 አሁን ባሉበት መ/ቤት ውስጥ ምን ያህል ጊዜ ሠርተዋል? ከ 5 ዓመት በታች 5- 10 ዓመት 11-15 ዓመት ከ 15 ዓመት በላይ

ክፍል 2: - የመስሪያ ቤት ባህል (organizational culture)

2.1. የመስሪያ ቤት ቤተሰባዊ ባህል(clan culture)

ከዚህ በታች መስሪያ ቤት ቤተሰባዊ ባህል(clan culture) አመልካቾች ከዚህ በታች ቀርበዋል ። እባክዎን ከ 1 እስከ 5 (1 - በጥብቅ አልሰማማም ፣ 2 - አልሰማማም ፣ 3 - ገለልተኛ ፣ 4 - እስማማለሁ እና 5 - በጥብቅ እስማማለሁ) በሆነ መጠን የመስሪያ ቤትዎን ቤተሰባዊ ባህል ያሳዩ ።

	የቤተሰባዊ ባህል(clan culture) አመልካች	1 በጥብቅ አልሰማማም	2 አልሰማማም	3 ገለልተኛ	4 እስማማለሁ	5 በጥብቅ እስማማለሁ
1	በመስሪያ ቤትዎ ውስጥ ያለው የአመራር አካሄድ ለቡድን ሥራ ምቹ ነው ።					
2	መስሪያ ቤትዎን አንድ የሚያደርገው እርስ በእርስ መተማመን ነው					
3	መስሪያ ቤትዎ የሰው ኃይል ልማት አንዱ የስኬት ምክንያት ብሎ ያምናል ።					
4	መስሪያ ቤትዎ እንደ አንድ ቤተሰብ የሚቆጠር የሰራ ቦታ ነው ።					
5	መስሪያ ቤትዎ ውስጥ ያለው አመራር የድጋፍ እና ክትትል ባህሪ ምሳሌ ነው ።					
6	መስሪያ ቤትዎ ለሠራተኞች ማሰብ ስኬት ብሎ ያምናል ።					
	አዳዲስ የሰራ ፈጠራ ባህል(adhocracy culture)					
7	በመስሪያ ቤትዎ ውስጥ የሰራተኞች አያያዝ የግለሰቡን ስራ ተነሳሽነት በማበረታታት ይታወቃል ።					
8	በመስሪያ ቤትዎ ውስጥ ያሉ ክዋኔዎች የአዳዲስ የሰራ ፈጠራ ምሳሌ ናቸው ።					
9	በመስሪያ ቤትዎ ውስጥ ካሉት የስትራቴጂክ ጉዳዮች አንዱ የቅርብ ጊዜ የአሰራር ስልት መተግበር ነው ።					
10	መስሪያ ቤትዎ አንድ የሚያደርገው ባህሪ መለውጥ እና መሻሻል ነው ።					
11	በመስሪያ ቤትዎ ውስጥ አረጅናል እና አዳዲስ ዕድሎችን መፈጠር ዋጋ አላቸው ።					
12	በመስሪያ ቤትዎ ውስጥ አገልግሎት ለመስጠት አዳዲስ አሰራሮችን ለመፍጠር ቁርጠኝነት አለ ።					
	የውድድር ባህል(market culture)					
13	መስሪያ ቤትዎ ውስጥ ለግብ መድረስ ስኬት ነው ብሎ ይታመናል ።					
14	በመስሪያ ቤትዎ ውስጥ የሰራተኞችን አያያዝ በተፎካካሪ መንፈስ እና በማበረታታት ተምሳሌት ነው ።					

15	በመስሪያ ቤት ውስጥ ውጤትን መሠረት ያደረገ አሰራር ትኩረት ይሰጣል ::					
16	ዕቅዶች እና ተጨባጭ ሊሆኑ የሚችሉ ግቦችን አመራርና ሰራተኞችን በጋራ ያወጣሉ ::					
17	በመስሪያ ቤት ውስጥ ዲላማዎችን እና ግቦችን መለካት በመደበኛነት ይከናወናል ::					
18	በመስሪያ ቤት ውስጥ የአስተዳደር ዘይቤ በግብ እና ስኬት ተለይቶ ይታወቃል:: የስረዓት ባህል(hierarchy culture)					
19	መስሪያ ቤትዎን አንድ ላይ የሚያስተሳስርው ባህል ስረዓትና ደንቦች ማክበር ነው ::					
20	በመስሪያ ቤት ውስጥ ያለው የአስተዳደር ዘይቤ በአስተዳደር ጊዜ የሰራተኞችን ደህንነት መጠበቅ ነው ::					
21	መስሪያ ቤት ውጤታማ አገልግሎት መስጠት እንደ ስኬትን ይቆጠራል ::					
22	በመስሪያ ቤት ውስጥ ያለው የአመራር አሠራር አፈፃፀምን በጥንቃቄ በመከታተል ይታወቃል ::					
23	በመስሪያ ቤት ውስጥ ሰራተኞች የሚጋሯቸው እሴቶች ፖሊሲዎችን ማክበር እና ማስከበር ናቸው::					
24	አንድ መስሪያ ቤት በሰራተኞቹ እና በመስሪያ ቤቱ እሴቶች መካከል ወጥነት ካለው ጥሩ አፈፃፀም ይኖረዋል ::					

ክፍል 3-የመሪነት ብቃት(leadership competency)

ከዚህ በታች -የመሪነት ብቃት (leadership competency) አመልካቾች ከዚህ በታች ቀርበዋል :: እባክዎን ከ 1 እስከ 5 (1 - በጥብቅ አልስማማም ፣ 2 - አልስማማም ፣ 3 - ገለልተኛ ፣ 4 - እስማማለሁ እና 5 - በጥብቅ እስማማለሁ) በሆነ መጠን የመሪዎችን አፈፃፀም ብቃት ያሳዩ ::

	የአመራር ብቃቶች	1 በጥብቅ አልስማማም	2 አልስማማም	3 ገለልተኛ	4 እስማማለሁ	5 በጥብቅ እስማማለሁ
25	የጽ/ቤት ኃላፊ ሰራተኞች ከህሎታቸውን እንዲያዳብሩ እገዛ ይሰጣል					
26	የጽ/ቤት ኃላፊ ወቅታዊ ስልጠና ይሰጣል					
27	የጽ/ቤት ኃላፊ ለቢሮ እድገት እንደ አርአያ ይሠራል					
28	የጽ/ቤት ኃላፊ የሥራ ቦታ ባህሪ ተቀባይ እንዲሆን ይሰራል					
29	የጽ/ቤት ኃላፊ በስራ ቦታ መቻቻል እንዲሰፍን ይሰራል					
30	የጽ/ቤት ኃላፊ ሁሉን አቀፍ ባህሪን እንደ አርአያ ያሳያል					
31	የጽ/ቤት ኃላፊ ግብረመልስ ይሰጣል					
32	የጽ/ቤት ኃላፊ የግል የስራ ዕቅድ እና ግቦችን ያወጣል					
33	የጽ/ቤት ኃላፊ ለሰራተኞች ጥሩ አመለካከትን አለው					
34	የጽ/ቤት ኃላፊ ሥራዎችን ወዲያውኑ ይጀምራል					
35	የጽ/ቤት ኃላፊ ስራዎችን በፍጥነት ያከናውናል					
36	የጽ/ቤት ኃላፊ ተጨማሪ እገዛ ለማድረግ ዝግጁ ነው					
37	የጽ/ቤት ኃላፊ የለውጥ ጥቅሞችን ለሰራተኞች ያሳውቃል					
38	የጽ/ቤት ኃላፊ ለውጥን የሚደግፉ መዋቅሮችን ያዘጋጃል					
39	የጽ/ቤት ኃላፊ ለውጥ ለማምታት በአብነት ይሰራል					
40	የጽ/ቤት ኃላፊ ለደንበኞች አገልግሎት ከፍተኛ ትኩረት ይሰጣል					
45	የጽ/ቤት ኃላፊ የደንበኞችን ጉዳይ በፍጥነት ይፈታል					
46	የጽ/ቤት ኃላፊ ለደንበኞች ከሚጠበቀው በላይ ቅድሚያ ይበልጣል					
47	የጽ/ቤት ኃላፊ ለቡድን ስራ ቅድሚያ ይሰጣል					
48	የጽ/ቤት ኃላፊ የቡድን ስኬቶች እና ውድቀቶች ይገመግማል					
49	የጽ/ቤት ኃላፊ የቡድን አባላት አብረው እንዲሰሩ ያግዛቸዋል					

ክፍል 4: ፈጠራ(Innovation)

ከዚህ በታች ፈጠራ (Innovation) አመልካቾች ከዚህ በታች ቀርቦታ :: እባክዎን ከ 1 እስከ 5 (1 - በጥብቅ አልሰማማም ፣ 2 - አልሰማማም ፣ 3 - ገለልተኛ ፣ 4 - እስማማለሁ እና 5 - በጥብቅ እስማማለሁ) በሆነ መጠን የመስራያቤቶቻችን የፈጠራ አፈፃፀም ያሳዩ ::

	የአገልግሎት ፈጠራዎች (service innovations)	1 በጥብቅ አልሰማማም	2 አልሰማማም	3 ገለልተኛ	4 እስማማለሁ	5 በጥብቅ እስማማለሁ
50	በአዲሱ የአገልግሎት ማስተዋወቂያ ውስጥ ብዙውን ጊዜ ቢሮአችን ቅድምያ ለደንበኞች ነው ::					
51	አዲስ አገልግሎቶቻችን ብዙውን ጊዜ በደንበኞች ዘንድ በጣም አዲስ እንደሆኑ ይታሰባሉ ::					
	ሂደት (አስተዳዳሪ) ፈጠራዎች process (administrative) innovation					
52	በቢሮአችን ለሚሰጡት አገልግሎቶች አዲስ አሰራሮችን ማዘጋጀት ቀጣይነት ያለው ሂደት ነው ::					
53	የደንበኞችን አስተያየቶች ወይም ቅሬታዎች በአስቸኳይ እና በከፍተኛ ጥንቃቄ እንይዛለን ::					
54	እኛ ያለማቋረጥ በአስተዳደር ፈጠራዎች ላይ በአፅንዖት እንሰራለን (ለምሳሌ በኮምፒዩተር ላይ የተመሰረተ አስተዳደራዊ ፈጠራዎች ፣ አዲስ የሰራተኞች ሽልማት / የሥልጠና መርሃግብሮች ፣ አዲስ መምሪያዎች ወዘተ) ::					
	ፈጠራ (የፈጠራ ባህል)(innovative culture)					
55	የፈጠራ ሀሳቦች በቢሮአችን ውስጥ ጥሩ ተቀባይነት አላቸው ::					
56	መሪ የፈጠራ ሀሳብ በንቃት ይፈልጋል ::					
57	ሰዎች ለሚያመነጩት አዲስ ሀሳቦች አይጠየቁም ::					

ክፍል 5 የመስራያቤት አፈፃፀም(organizational performance)

ከዚህ በታች የመስራያቤት አፈፃፀም የገንዘብ ነክ ያልሆኑ አመልካቾች ከዚህ በታች ቀርቦታ :: እባክዎን ከ 1 እስከ 5 (1 - በጣም ደካማ ፣ 2 - ደካማ ፣ 3 - ፍትሃዊ ፣ 4 - ጥሩ እና 5 - በጣም ጥሩ) በሆነ መጠን ባለፉት 4 ዓመታት ውስጥ የመስራያቤቶቻችን አፈፃፀም ያሳዩ ::

	የአፈፃፀም አመልካች 1	1 በጣም ደካማ	2 ደካማ	3 ፍትሃዊ	4 ጥሩ	5 በጣም ጥሩ
58	የውጤቶች ጥራት (ለምሳሌ የአገልግሎት አሰጣጥ አስተማማኝነት)					
59	የውጤቶች ብዛት (ለምሳሌ የአገልግሎት አሰጣጥ መጠን)					
60	የዜጎች እርካታ					
61	የሰራተኛ እርካታ					
62	ፍትሃዊነት (ለምሳሌ አገልግሎቶች ለዜጎች ሁሉ በእኩል ደረጃ ተሰራጭተዋል)					