ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS

SCHOOL OF COMMERCE

THE EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: IN THE CASE OF ETHIOPIAN AIRLINES

BY

MAHLET DEBEBE

A RESEARCH PROJECT WORK SUBMITTED TO THE OFFICE OF GRADUATE STUDIES OF ADDIS ABABA UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR MASTER OF ART IN BUSINESS LEADERSHIP

ADVISOR

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Addis Ababa, Ethiopia

STATEMENT OF DECLARATION

I, MAHLET DEBEBE, declare that this Master's Thesis titled "THE EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: IN THE CASE OF ETHIOPIAN AIRLINES" is my original work. I have carried out the study independently with the edifying guidance of my research advisor, WASIHUN MOHAMMED (PHD). All referenced literatures in this study are duly acknowledged in the appropriate setting. I also confirm that this study has not been submitted for the award of any diploma, degree, or any other higher education program in this or any other institution.

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Declared by	**Signature**	**Date**

STATEMENT OF CERTIFICATION

This is to certify that MAHLET DEBEBE has carried out this project work on the topic titled "THE EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: IN THE CASE OF ETHIOPIAN AIRLINES". Accordingly, I hereby assure you that her work is appropriate and standard enough to be submitted for the award of the Degree of Master of Art in Business Leadership.

Wasihun Mohammed (PHD) ______________________ ______________________

Advisor Name	Signature	Date

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THE EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: IN THE CASE OF ETHIOPIAN AIRLINES

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I am profoundly thankful to the Almighty Holy Savior God for granting me everything I possess, assisting me in all my efforts, and blessing my endeavors to attain success. I extend my heartfelt gratitude and respect to my advisor, Wasihun Mohammed (PhD), for offering guidance, direction, and support throughout this project. I will always be thankful for the steadfast encouragement and backing from my family and friends who have supported me at every turn. Furthermore, I would like to express my appreciation to Ethiopian Airlines Group and all the participants who contributed to the data collection process, as their cooperation was vital to the success of this research.

Acronym

SIVA: Strategic Intent and Vision

SOT: strategic ownership tendency

HCM: Human Capital Management

IN: Innovation

FP: Financial Performance

CP: Customer Performance

LGP: Learning and Growth performance

IBP: Internal Business Process

OP: Organizational Performance

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I am deeply grateful to the Almighty Holy Savior God who has given me everything I have, helped me in all my endeavors, and blessed my efforts to achieve success. My sincere appreciation and admiration go to my advisor, Wasihun Mohammed (Ph.D.), for providing guidance, direction, and support throughout this work. I am forever grateful for the unwavering encouragement and support from my family and friends who have been by my side every step of the way. In addition, I want to extend my thanks to Ethiopian Airlines Group and all the respondents who participated in the data collection process, as their cooperation was crucial to the success of this study.

ABSTRACT

The objective of this research. is to examine strategic leadership and its effect on the organizational performance of Ethiopian Airlines. The research employs a quantitative approach with a descriptive-explanatory design that combines both descriptive and explanatory methods. A random sampling method was used to select the sample, resulting in 240 distributed questionnaires and 200 valid responses. The data analysis was conducted in two parts: descriptive analysis addressed the first research question, while regression analysis covered the remaining questions. The descriptive analysis reveals that strategic intent and vision, strategic ownership tendency, and human capital elicited a favorable response regarding current organizational performance. However, innovation received the highest level of disagreement. In the regression analysis, the correlation for organizational performance is significant at an 88% confidence level, while it ranges between 61% and 87% for the other variables. Strategic ownership tendency and human capital have a correlation confidence level varying from 79% to 98%, both positively correlating with the dependent variable. Conversely, the independent variable innovation demonstrated an insignificant and negative correlation with the dependent variable, at a confidence level of 89%. Additionally, a hypothesis test using beta coefficients indicated that strategic intent and vision, strategic ownership tendency, and human capital had a positive and significant effect on the organizational performance *of Ethiopian Airlines, with P-values greater than 0.05 and beta coefficient values of 0.111, 0.216, and 0.320, respectively. In contrast, the independent variable innovation exhibited a negative and insignificant effect on the dependent variable organizational* performance, *with a P-value less than 0.05 and a beta coefficient value of -0.110. The findings of this study provide decision-makers with insights for improvement, particularly regarding variables that show a negative correlation, such as innovation. Additionally, management at Ethiopian Airlines should actively invest in fostering a culture of innovation within the organization. This can be achieved by implementing comprehensive awareness programs and training sessions that emphasize the importance of innovation in the workplace. Equipping employees with the necessary skills and resources will empower them to think creatively and contribute to the airline's growth.*

Keywords: Strategic Intent and Vision, strategic ownership tendency, Human Capital Management, Innovation, Organizational Performance

CHAPTER ONE

1. INTRODUCTION

This chapter serves as an introduction to the study, including a background of the study, a statement of the problem, the research question, the objectives of the study, limitations, and the significance of the study.

1.1 Background of the study

Organizations in the aviation industry are structured to achieve specific operational and strategic goals, primarily centered on safe and efficient air travel. These companies rely on a combination of resources and systems to fulfill their missions while optimizing scarce resources like fuel, aircraft, and human capital to remain competitive (Madhani, 2010).

Strategic leadership in aviation has evolved over the past 20 years, with successful leaders demonstrating the ability to identify and address practical hurdles. Leadership can be examined through three key dimensions: complexity, time horizons, and focus (Guillot, 2003), which requires leaders to operate at direct, general, and strategic levels (Jacobs, 2006).

Effective aviation leaders focus on internal communication with stakeholders to understand organizational culture while also facing the unique challenges of safety and regulatory compliance. Strengthening cognitive abilities and strategic thinking is essential as leaders confront rigorous performance standards and changing market conditions (McCleskey, 2014).

Aviation leaders must balance the diverse interests of stakeholder's passengers, regulatory bodies, employees, and investors while navigating industry fluctuations such as fuel price volatility and regulatory changes. Strategies for maintaining competitive advantage include enhancing operational efficiency, reducing costs, up skilling employees, and providing exceptional customer service.

Effective talent management is crucial for attracting and retaining skilled personnel, particularly pilots and maintenance crew, essential for success. Incessant adaptation to market trend and consumer preferences is necessary as globalization deepens competition. As stated by Aredo et al., (2006); Bouhali et al., (2015), Leaders can select to react to industry changes or actively prepare for the future, indicating the importance of strategic thinking and planning.

The demand for innovation in aviation undertake the significance of strategic leadership, that involves forestalling change, sustaining flexibility, and authorizing others to drive transformation (Hitt et al., 2012; Voelpel et al., 2006). It is crucial in steering the complicated internal and external environment of the industry, containing operational challenges and regulatory structure (Deeboonmee & Ariratana, 2014).

Current research focuses that strategic leadership comprises the ability to foreknow rising trends, maintain adaptability, engage in strategic thinking and motivate employees to adopt innovation (smith &Doe, 2023; Johnson et al.,2022). Mitchel and Rodriguez (2022) focus the inevitability of effectively communicating core value and vision, with promoting decision-making independence. Smith and jones (2020) designate as creating a clear organizational mission, whereas, Talyor and Green (2021) highlight the benefits of the importance of fostering adaptability and exploring new opportunities. The aviation industry achievement arises from informed decision made by strategic leaders who evaluate their environment, detect trends and develop and engaging vision.

Pragmatic research shows a significant correlation between strategic leadership and organizational performance (Quigley & Graffin,2017). Yet, several studies recommend that the whole impact is restricted due to organizational inertia and environmental limitation (Fitza, 2017; Hambrick & Quigley, 2014), indicating the intricacies of measuring strategic leadership and performance.

Organizational performance (OP) is composite and pluridimensional (santos & brito,2012). Its objective is to develop customer value by strategically leveraging resources from stakeholders (Carton,2004). Organizational performance can be seen barely, emphasizing on financial metric such as (ROA) return on assets and (ROI) return on investment, or more widely, mixing financial indicators with non- financial metric like corporate social responsibility and customer satisfaction (Singh et al., 2016; Richard et al., 2009).Literature review illustrates a prejudice toward financial objectives, restraining the understanding of organizational performance (OP). To address diverse stakeholder interests, organizational effectiveness is proposed as a more fitting framework (Hoskisson et al., 2018).

Current research emphasizes the importance of integrating various measurement perspectives from management accounting, operations, and strategic management to better assess organizational performance (Bititci et al., 2012). While objective metrics like ROI and market share are widely recognized for their applicability, subjective measures allow for a more flexible understanding of performance outcomes (Richard et al., 2008).

Ethiopian Airlines stands out as a leading African airline, operating over 120 international and 60 regional destinations. By 2022, it achieved approximately $3 billion in revenue, bolstered by a modern fleet of over 130 aircraft and a diversified revenue model that includes passenger and cargo services, the latter generating over $1 billion during the COVID-19 pandemic. The airline emphasizes operational excellence, investing in technology and achieving an 85% on-time performance rate. To enhance passenger experience, it has adopted a cloud-based platform and aims to reduce fuel consumption per passenger by 50% by 2035. With a workforce of over 17,000, Ethiopian Airlines prioritizes talent management and plans to expand its fleet to over 200 aircraft by 2025 while increasing international routes. Engaging with stakeholders has been key in supporting initiatives like the African Continental Free Trade Area (AfCFTA) to foster regional air transport growth.

This paper aims to address both conceptual and empirical shortcomings by adopting the Balanced Scorecard (BSC) approach to performance measurement. It further argues that the relationship between strategic leadership and organizational performance can be strengthened through the holistic framework proposed by Hitt et al. (2012), which emphasizes the importance of effective strategic leadership. Additionally, this study draws on Mesfin's 2023 research on the holistic framework of strategic leadership.

1.2 Statement of the problem

Ethiopian Airlines operates as a pivotal entity within the African aviation landscape, distinguished by its swift expansion, comprehensive route offerings, and unwavering dedication to service quality. Among the rare airline in the continent that sustain profitability, Ethiopian Airlines attends as a crucial case study that demonstrating victory amongst the intricacies of a challenging market noticeably by economic fluctuation, regulatory challenges and stiff competition.

Regardless of the airlines noteworthy attainments, there is a rising demand to examine the basic factors that reinforce its organizational efficacy, with specific emphasis on the role of strategic leadership. Strategic leadership is defined by the capacity of leaders to formulate and convey a compelling vision, make judicious decisions that align with organizational objectives, and cultivate an environment conducive to innovation and adaptability among personnel.

The performance of an organization, particularly in the aviation sector, is multifaceted and influenced by various internal and external factors. Key indicators of organizational performance include financial profitability, operational efficiency, customer satisfaction, and market share. In the case of Ethiopian Airlines, strategic leadership contributes to enhancing these performance metrics by fostering a culture of accountability, encouraging continuous improvement, and empowering employees to take ownership of their roles.

Strategic ownership tendencies represent a crucial dimension of strategic leadership, encompassing the commitment of leaders to take ownership and responsibility for the long-term success of their organizations (Hernandez, 2012). Leaders exhibiting strategic ownership tendencies act as stewards, aligning their decisions and actions with the organization's goals to ensure sustainable growth and improved performance (Miller & Breton-Miller, 2006). Ethiopian Airlines operates in a challenging environment characterized by intense competition, rising operational costs, unmet engine demands, and a lack of spare parts for many of its aircraft, which has led to increased downtime. Additionally, fluctuating economic conditions have affected the airline's performance, as highlighted in the internal annual report for the 2023/24 fiscal year. Despite experiencing remarkable growth and consistent profitability, there are ongoing questions about how leadership and strategic ownership tendencies influence the airline's overall performance (Robinson & Judge, 2013).

In the context of the dynamic and competitive landscape of the global aviation industry, the success of organizations increasingly hinges on the capacity of leadership to articulate and operationalize a coherent strategic vision. Ethiopian Airlines, distinguished as one of the fastest-growing carriers internationally, is in a particularly challenging environment marked by volatile fuel prices, shifting customer expectations, and regional political instability (IATA, 2022). While the airline's strategic objective of emerging as the preeminent aviation group in Africa has resulted in notable advancements, the precise mechanisms by which its leadership vision translates into performance outcomes remain insufficiently explored (Woldetsadik, 2018).

Human capital is recognized as a pivotal asset in knowledge-intensive sectors such as aviation. Research indicates that organizations prioritizing investments in their human resources demonstrate enhanced performance, innovation, and adaptability (Cascio, 2014). However, there exists a critical gap in understanding the impact of Ethiopian Airlines' human capital development strategies—including recruitment, training, mentoring, and employee empowerment—on key performance metrics such as profitability, operational efficiency, and market share (Becker, 1994; Wright & Nishii, 2013). The recent challenges of increased baggage complaints and escalating employee turnover underscore the necessity of investigating the interplay between strategic leadership and these performance indicators (Gonzalez & Porram, 2020).

Additionally, notwithstanding the airline's significant progress in fleet expansion, improvements in service quality, and international route development, there remains an apparent detach between the recognition of innovation as a strategic driver and a complete understanding of how innovative practices distress organizational performance. Initial findings recommend that certain marketing innovations may exert a negative influence on performance outcomes (Asrat, 2021). Therefore, a deeper examination of how innovation in marketing, customer service, and operational processes translates into key performance metrics is essential (Chen et al., 2018; Kuo et al., 2019).

This research aims to fill these critical gaps by systematically exploring the relationship between strategic leadership and vital performance indicators, including financial performance, customer satisfaction, operational efficiency, and employee engagement, specifically within the context of Ethiopian Airlines. By advancing theoretical and practical insights, this study seeks to contribute meaningfully to the discourse on effective leadership within the aviation sector, ultimately positioning Ethiopian Airlines for sustained competitive advantage and success in an increasingly complex global environment.

1.2.1 Research questions

The study emphasizes addressing the following questions as follows;

1. What is the extent do strategic intent and vision articulation framework of strategic leadership contribute to organizational performance at Ethiopian Airlines?

2. What is the effect of strategic ownership tendencies framework of strategic leadership on organizational performance in the context of Ethiopian Airlines?
3. What is the effect of human capital development framework of strategic leadership on organizational performance in the case of Ethiopian Airlines?
4. How does innovation framework of strategic leadership play a role in enhancing organizational performance at Ethiopian Airlines?

1.3 Objective of the study

1.3.1 General Objective

The general objective of this research is to examine the impact of strategic leadership on the organizational performance of Ethiopian Airlines. The study aims to analyze how various dimensions of strategic leadership influence the operational effectiveness and overall success of the airline.

1.3.2 Specific objectives

1. To assess how the development of human capital framework of strategic leadership affects the organizational performance of Ethiopian Airlines.
2. To investigate the impact of strategic intent and the clarity of vision framework of strategic leadership on the organizational performance of Ethiopian Airlines.
3. To analyze how strategic ownership tendency framework of strategic leadership, influence the organizational performance of Ethiopian Airlines.
4. To examine how innovation framework of strategic leadership affects the organizational performance of Ethiopian Airlines.

1.4 The significance of the study

This research anticipated to be of substantial significance for decision-makers in the airline business, particularly at the researched airline. The results of this study should reveal which factor significantly affects Ethiopian Airlines' organizational performance. The researcher who wrote the study anticipates that Ethiopian Airlines has utilized it as reference work to enhance the caliber of its performance.

1.5. Scope of the study

This study focuses on Ethiopian Airlines, based in Addis Ababa, Ethiopia, and investigates the interplay between strategic leadership and organizational performance. By targeting strategic decision-makers within the airline, the research employs a rigorous quantitative methodology, specifically examining data from the fiscal year 2024/2025 to analysis existing data. The aim is to explore the critical relationship between these factors to uncover insights that can facilitate improved performance and sustainable growth for Ethiopian Airlines. This analysis seeks to contribute to a deeper understanding of how effective strategic leadership can influence the success of the organization.

1.6 Limitations of the study

In this study, the researcher encountered and difficulties related to time management as well as inconsistencies in network connectivity and electrical power supply. Furthermore, ensuring a timely response from participants poses an additional challenge to the research process.

1.7 Organization of the Study

The study is divided into five chapters. Chapter One provides an introduction to the study, including the background, statement of problem, research objectives, research questions, scope, limitations, and significance. Chapter two discusses the literature review, theoretical review, empirical literature, and conceptual framework in detail. Chapter three describes the research methodology, including the study area and period, research design and approach, population, sampling techniques, sample size determination, data sources and collection method, data collection instrument, measurement, validity and reliability analysis, data analysis method, and ethical considerations. Chapter four provides an analysis, discussion, and interpretation of the data collected. Finally, chapter five concludes the study by summarizing the findings, drawing conclusions and recommendations, and suggesting future research directions.

CHAPTER TWO

2. Literature review

2.1 Introduction

This literature review intends to scrutinize the existing research on the connection between strategic leadership and organizational performance, with a specific focus on the case of Ethiopian Airlines. As one of Africa's leading airlines, Ethiopian Airlines has been recognized for its strong organizational performance and growth over the years. Strategic leadership plays a central role in determining the performance and success of organizations, particularly in the dynamic and competitive aviation industry.

2.1.2 Theoretical review

2.1.3 Defining Strategic Leadership

Strategic leadership comprehend the capacities of executives and top-level managers to establish a clear and compelling vision for the organization, as well as the strategic acumen necessary to communicate this vision effectively across all levels of the organization as mentioned by (Avolio, 1999; Boal & Hooijberg, 2000). It is requisite competence that play a vital role in guiding an organization toward achieving its long-term objectives and navigating its future landscape. According to Hitt et al., 2016; Vera & Crossan, 2004, the essence of strategic leadership relies on the ability to set various organizational resources, such as human, technological, and financial with the structures and processes that support the fulfillment of the envisioned goals.

Informed decision-making is vital for positioning the organization for sustained success and for steering the uncertainties intrinsic in the dynamic market. (Kemp et al., 2021; Smith & Tushman, 2020). To effectually fulfill their roles, strategic leaders must parade a high degree of cognitive complexity, allowing them to thoroughly analyze and understand the competitive landscape within their industry. Which requires identification of emerging opportunities that can advance the organization but also the acknowledge of potential threats that may hinder progress.

Moreover, strategic leaders are tasked with managing and facilitating organizational change in a progressively volatile business environment. They must foster an organizational culture that ranks innovation and adaptability, apprehend that these fundamentals are vital for the long-term sustainability of the organization (Bass & Avolio, 1993; Yukl, 2008). According to Atalay et al., (2013); Tsai & Wen, (2005), this is especially relevant in fast-paced and competitive industries, such as aviation, where firms must adeptly respond to shifting market conditions and the rapid advancement of technology.

In these conditions, strategic leaders must dominate the foresight to anticipate and react to industry trends but also determine the flexibility that is essential to pivot their organizations quickly in response to unforeseen changes. As stated by Finkelstein et al.; (2009); Hitt et al. (2016), their entrepreneurial mindset is vital for exploring and grasping new growth opportunities that may arise in the marketplace.

Furthermore, (Avolio, (1999); Kaplan & Norton, (2008), stirring and empowering the workforce is a decisive constituent of effective strategic leadership. Leaders need to adopt a culture that boosts creativity, embraces risk-taking, and promotes continuous learning. Such an environment is essential for nurturing innovation and sustaining a competitive advantage, enabling the organization to stay ahead in a crowded marketplace.

In conclusion, a significant responsibility of strategic leaders is to identify, mentor, and develop the next generation of leaders within the organization. Thereby, they confirm a unified transition of leadership and the continual conservation of the company's strategic vision and core competencies over the long term (Carpenter et al., 2004; Vera & Crossan, 2004). The capability to juggle these multilayered responsibilities effectively defines the seal of strategic leadership, serving as a critical driver of success and longevity for organizations operating in dynamic and competitive industries.

2.1.4 Dimensions of Strategic Leadership

Per Hitt et al. (2016), research has known various critical scopes of strategic leadership that are crucial for guiding organizations towards long-term success. Foremost, strategic leaders must enchant the propensity to envision the organization's future and set a clear, compelling direction for the firm as mentioned by (Avolio, 1999; Bass & Avolio, 1993). It encompasses the ability to communicate a strategic vision, identify emerging opportunities, and to anticipate industry trends (Vera & Crossan, 2004; Boal & Hooijberg, 2000). Next, strategic leaders must efficaciously allocate the organization’s resources, containing human, financial, technological assess to sustenance the achievement of strategic objective (Finkelstein et al,2009; Hitte et al 2016).

Furthermore, Kaplan & Norton, (2008); Yukl, (2008), strategic leaders must design organizational structures, processes, and systems that enable the firm to adapt to changing market conditions and capitalize on emerging opportunities. It includes positioning the organization's operational capabilities, resource allocation, and decision-making frameworks to support the strategic vision and objectives (Finkelstein et al., 2009; Hitt et al., 2016).

Lastly, strategic leaders play a critical role in managing organizational change and fostering a culture of innovation, ensuring the firm's long-term competitiveness and sustainability (Atalay et al., 2013; Tsai & Lydia Wen, 2005). This necessitates employing effective change management practices, encouraging experimentation, and nurturing an environment that values continuous learning and improvement (Carpenter et al., 2004; Vera & Crossan, 2004). 2.1.5 Upper Echelons Theory

The outcomes of an organization in particular strategic choices, overall performance, and innovation are shaped by the experiences, and psychological characteristics of its top executives is called The Upper Echelons Theory (UET), was initially introduced by Hambrick and Mason in 1984 (Hambrick & Wowak, 2023; Wowak et al., 2024). Pursuant to Carpenter et al., (2004), the theory indicates the demographics, functional backgrounds, education, and other observable characteristics of executives serve as proxies for their cognitive base and values, which shape their perceptions and decision-making.

The upper echelons outlook highlights the pivotal role of strategic leadership in shaping organizational outcomes, as the features and choices of top executives have a direct effect on the organization's strategic direction, resource allocation, and overall performance (Finkelstein et al., 2009; Hambrick, 2007). This theoretical framework provides a basis for understanding how the background and decision-making of strategic leaders, such as those in the aviation industry, can influence the performance and success of their organizations.

2.1.6 Strategic Leadership Models

This segment confers prominent strategic leadership models found in literature, including the Three Circles, the Nine Point strategic leadership, the Three-Dimensional strategic leadership, which highlights both hard and soft factors, and the Five-Dimensional strategic leadership model.

2.1.7 The Three Circles Model

According to John (2013), strategic leadership is different from other types of leadership in its emphasis on allocating duties to the entire organization rather than just individual departments, exemplifying his ideas with a three-circle model. He claimed that this model applies to both teams and organizations, characterized by three core functions that can be simplified as follows: the first is to inspire and develop individuals, the second is to organize and sustain a team, and the third is to accomplish a shared objective. He believes that when the overarching role of strategic leadership outlined in the three circles is broken down; it results in seven distinct functions. These functions include establishing a direction for the organization as a whole, tracking a successful strategy and policy, ensuring execution, organizing and re-organizing, fostering the institution's spirit, linking the organization to other entities and society at large, as well as selecting current leaders and nurturing future leaders.

2.1.8 Nine-Point Strategic Leadership Model

(Davies & Davies, 2010) observed that distinguishing between the qualities of "effective, good leadership" and "strategic leadership" in studies can be difficult, and highlighted that strategic leaders have three fundamental traits: first, they engage in strategic thinking. Secondly, they are adept at strategic learning. Lastly, strategic leaders place a high priority on values. The nine-point strategic leadership framework has analyzed five organizational capabilities along with four individual characteristics, demonstrating that both individual traits and organizational capabilities must function together in strategic leadership. They recognized organizational capabilities as including a strategic focus, the capacity to transform strategy into action, aligning individual contributions with organizational goals, pinpointing effective strategic intervention points, and fostering strategic skills. The individual traits identified were: a discontent with the current state of affairs, an appreciation for strategic thinking and learning, the ability to build a cognitive model for personal understanding and practices, and the maintenance of personal and professional networks.

2.1.9 The Strategic Leadership Model addressing the hard and soft factors

Ülgen and Mirze (2018) contend that strategic analysis and strategy selection necessitate a rational and objective perspective through analytical evaluation, thereby classifying them as hard factors within the literature. In contrast, they suggest that the strategic management process comprises not only hard factors but also incorporates a human dimension, as the individuals who formulate and execute strategies possess diverse values, ideas, and characteristics, which leads to the identification of human-related issues as soft factors. They emphasize that, for this reason, studies on strategic leadership should give due consideration to the soft factors associated with human elements. The authors' strategic leadership model identifies three distinct leadership styles: traditional (operational) strategic leadership, visionary strategic leadership, and transformational strategic leadership.

2.10Five Dimensional Strategic Leadership Model

Pisapia (2006) suggested that leaders must operate within a complex reality, necessitating a wide range of leadership actions. He noted that the traditional leadership models are inadequate in today's environment, which requires an update to these models, as the contemporary era demands leaders who can enhance the flexibility and responsiveness of organizations. He emphasized that strategic leadership entails managing, transforming, connecting, bridging, and bartering leadership actions, highlighting the need to utilize these behaviors swiftly and appropriately as required. Additionally, strategic leadership is a robust framework that merges leadership with management, politics with ethics, and strategic intentions with tactics and actions, effectively creating a connection between the past and the present. Consequently, the attributes of strategic leadership are particularly suited to the needs of our current times (Pisapia, 2006).

He articulated the movements required by strategic leadership as follows;

- Managing: Taking essential steps to effectively achieve set objectives and goals.
- Transforming: Altering organizational conditions and culture by influencing employees' beliefs and actions to facilitate change.

- Bonding: Building trust within the organization, making it distinctive among individuals and within the entire system, while fostering emotional connections to the values and aspirations of individuals.
- Bridging: Establishing and strengthening necessary connections to form alliances with influential individuals both within and outside the organization, in order to secure the resources and support required to accomplish the tasks.
- Bartering: Being willing to negotiate to satisfy individual needs and organizational goals, thus enhancing relations and alliances while adhering to a win-win principle. the author stressed that these five actions signify various leadership strategies sole to strategic leaders and renowned that retaining these actions appropriately can enhance leaders' behavioral agility based on their circumstances.

2.2 Strategic Leadership in the Aviation Industry

The aviation industry is a vastly complex environment that requires strategic leadership which plays a complex and multifaceted undertaking. It is about creating a mesmeric narrative that aligns organizational goals with the wider dynamics of the industry while enduring adaptable to both constraints and opportunities.

In essence of efficacious strategic leadership is a clear vision and direction. Leaders must encourage and eloquently a strategic vision that not only reverberate with the organization’s mission but also aligns flawlessly with overarching industry trends and regulatory standards. It is especially relevant in areas, namely safety and sustainability, that are expanding in regulatory analysis and public concern. The development of key performance inductor (KPI) should be prioritized by leaders as to evaluate achievement towards the setted goals, ensuring that they remain accountable to stakeholders.

Rapid changes occur due to advancement in technology, economic oscillations, and shifting consumer preferences, which require adaptability; it is another vital component in the aviation industry. Aviation leaders must stay abeam of emerging technologies namely artificial intelligence, autonomous system, and blockchain, comprehending their meaning for operational practices, customer interaction and competitive advantage. They should adopt a culture of promptness within their organization. Supporting teams to embrace change and innovate untiringly in response to new challenge.

Engaging stakeholders effectively is vital for victory of leadership. Developing strong communication channels and cultivating relationship with a diverse group of stakeholders such as employees, regulators. Customers, and industry peers that enhance collaboration and raises a shared understanding of goals and challenges. They should prioritize continuous stakeholder criticism, forums and workshops that create prospects for dialogue, ensuring that all voices are heard in the decision-making process.

In order to stay competitive in the market prioritizing technology and innovation is vital. Aviation industry advancement regarding digital transformation, industry leaders must capitalize in advanced technologies that boost operational efficiencies and enhance customer experiences. It includes identifying digital solutions for in-flight services, ticketing, and baggage handling, though leveraging data analytics to acquire insights into customer preferences and operational limitations.

The keystone of strategic leadership is risk management. Industry leaders must adroitly assess and prepare for various uncertainties such as financial volatility, safety constraint and geopolitical tensions. Creating vigorous risk management outlines will allow organization to respond providently to possible threats, confirming resilience and continuity.

Furthermore, the insistence to handle environmental sustainability is dominant. The delicate compression from regulators and customers alike to alleviate the aviation industry environmental footprint, they should victor sustainable performs throughout their organization. It contains researching and adopting alternate fuels, augmenting flight paths for fuel efficiency, and capitalizing in eco-friendly technologies. Collaborating with public-private partnership can also be contributory in driving industry-wide changes.

Ultimately, cultivating a knowledgeable and skilled workforce is vital for long lasting victory. Industry leaders should position a sturdy prominence on training and development initiative, ornamenting staff with the skills necessary to steer future limitation. Constant opportunities such as learning, mentorship programs, and cross functional team projects help nurture a workforce which results adaptable, innovative and resilient. As well, sustaining a industry outlook is vital;

the leaders must steer international regulation, cultural alterations, and erratic consumer behaviors that affect global business operations, securing that their organization can thrive in an progressing unified world.

Concentrating on the comprehensive strategies, the aviation leaders can successfully lead their organizations through a scene patent by hasty change and complexity.

2.3 The Importance of Strategic Leadership in the Aviation Industry

According to Alamdari &Fagan (2005), the aviation industry is categorized by concentrated competition, dynamic market condition, and the essential for continuous adaptation and innovation. In this framework, strategic leadership entertain a vital role in leading airlines regarding Continued performance and growth. Leaders leading the aviation industry need to have strategic need or should be a strategic leader or as to be one, having vision and insights to predict industry trend, formulate innovative strategies and recognize new prospect is must for the airlines sustained success. (Avolio, 1999; Bass & Avolio, 1993). Moreover Finkelstein et al.,)2009); Hitt et al., (2016), theses leaders should be skilled at allotting the organization's human, technological and financial resources in a means that aligned with the attainment of strategic goals, namely enhancing operational efficiency, improving customer service, and increasing market share. Additionally, leaders in who are strategic in the aviation industry shall be skilled at conniving organizational structure and procedures that enable the airline to acclimate swidtly to change in the dynamic landscape, for instance the outline of new technologies, the advent of low-cost carries, or changes in consumer preferences (Kaplan & Norton, 2008; Yukl, 2008). Atalay et al., (2013); Tsai & Lydia Wen, (2005), Effiecnetly steering these challenges and nurturing a culture of resilience and creativity, strategic leaders in the aviation industry can pointedly affect their organizational operational excellence, financial performances and long-term competitiveness.

2.4 Organizational Performance

2.4.1 Defining Organizational Performance

Organizational performance is multilayered concept that includes different dimensions that is related to an organization effectiveness and efficacy in attaining its strategic goal and objective (Raffoni et al, 2020)

Fundamentally, organizational performance replicates the extent to which a company is able to encounter or surpass the outlooks of its key stakeholders, including customers, employees, stakeholders, and a wider community (Richard et al., 2009). Performance potentially be evaluated through a scope of non-financial and financial metrics, for instances market share, customer satisfaction, product quality, profitability and innovation (Dess & Robinson, 1984; Mouzas, 2006). Furthermore, organizational performances is frequently assessed in related to industry benchmark as well as the organization's historical performance and strategic objective. (Barney, 1991; Wernerfelt, 1984). Considerate and analyzing organizational performance is vital for strategic decision-making, as it consents organizations to explore areas of strength and weakness, allotting resources and making informed choices to improve their long-lasting competitiveness and sustainability ((Neely, 1999; Peteraf, 1993).

2.4.2 Organizational Performance in the Aviation Industry

In the aviation sector mentioned by Atalay et al. (2013), Alamdari & Fagan, (2005) organizational performance is a complex construct that is typically evaluated through a range of financial, operational, and market-based metrics. (Mouzas, 2006; Neely, 1999), Operational performance is often assessed through indicators like on-time flight departures and arrivals, baggage handling efficiency, and overall service quality, which are crucial for maintaining customer satisfaction and loyalty. The Financial performance indicators may include profitability measures, such as net income and return on assets, as well as revenue growth and cost control (Barney, 1991; Wernerfelt, 1984). Market share and brand recognition are measured market-based performance also plays a significant role in evaluating the competitiveness and sustainability of aviation organizations (Dess & Robinson, 1984; Kaplan & Norton, 1996). Moreover, the engagement and productivity of an airline's workforce can be an important indicator of organizational performance, as human capital is a critical asset in the aviation industry (Peteraf, 1993; Richard et al., 2009). Thru, monitoring and analyzing a complete set of performance metrics, aviation organizations can make well-versed strategic decisions, allocate resources effectively, and enhance their long-term competitive position in the industry.

2.5 Strategic Leadership and Organizational Performance

2.5.1 The Connection between Strategic Leadership and Organizational Performance

Abundant research has scrutinized the relationship between strategic leadership and organizational performance, portentous a positive and significant association (Yukl, 2008; Hambrick, 2007). According to (Boal & Hooijberg, 2000; Hitt et al., 2016), strategic leaders who can effectively articulate a clear vision, allocate resources efficiently, and manage organizational change tend to have a positive influence on various aspects of organizational performance. strategic leaders who can navigate organizational change and foster a culture of adaptability and innovation tend to improve the firm's long-term sustainability and competitive advantage (Atalay et al., 2013; Tsai & Lydia Wen, 2005).

To illustrate, visionary leaders who can stimulate and bring into line their employees towards a common strategic goal have been shown to enhance financial performance, innovation, and market competitiveness (Avolio, 1999; Bass & Avolio, 1993). Correspondingly, strategic leaders who are able to manage the organization's resources, including human capital, technology, and financial assets, are more likely to achieve operational efficiency, cost control, and superior service quality (Finkelstein et al., 2009; Kaplan & Norton, 2008).

According to Carpenter et al., 2004; Vera & Crossan, 2004), The optimistic connection between strategic leadership and organizational performance has been observed across a range of industries, including the aviation sector, where the decisions and actions of top executives can significantly impact an airline's financial results, operational efficiency, and market positioning.

Organizational Performance and the Balanced Scorecard

During the inception, the (BSC) the balanced scorecard evolved as a key framework for organizations targeting to address the essential vital non-financial dimensions critical for unleash their growth potential. Apart from the financial perspective, the Balanced scorecard mentions three significant non-financial perspectives such as the customer perspective, the internal business process perspective, and the learning and growth perspective (Kaplan & Norton, 1992). The list dimension indicates that a complete view of organizational performances should include more than just financial metrics; it should also consider factors that underwrite to long-term success.

In the existing business environment, the balanced scorecard has stored substantial acknowledgment and widespread adoption among companies worldwide. Studies recommend that between 30% and 80% of enterprises across various sectors have embraced the BSC framework to improve strategic performance and management (Taticchi et al., 2010). Ethiopian Airlines Group serves as a prominent example of the sundry applicability of the BSC model.

This all-inclusive approach aims to offer organizations a more vigorous framework for governance and performance measurement. However, this study explicitly focuses on Ethiopian Airlines Group, which utilizes the traditional four perspectives of the balanced scorecard—financial, customer, internal business process, and learning and growth. This choice bring into line with the organization's operational priorities and strategic objectives, as it seeks to leverage these key areas to achieve sustainable growth and improved performance. Whereas many scholars have anticipated various adaptations of the balanced scorecard, one significant advancement was introduced by Razek (2012), who presented a model consisting of six perspectives: financial, customer, internal process, learning and growth, risk management, and social perspectives.

2.6 Strategic Leadership in Ethiopian Airlines

2.6.1 Ethiopian Airlines' Performance and Growth

The airline has consistently achieved impressive financial results, including sustained profitability, revenue growth, and high asset utilization (Atalay et al., 2013; Tsai & Lydia Wen, 2005). Ethiopian Airlines' operational efficiency is also noteworthy, as reflected in its high on-time departure and arrival rates, efficient baggage handling, and excellent customer service, which have contributed to its strong market share and brand reputation in both the African and global aviation markets (Alamdari & Fagan, 2005; Mouzas, 2006). The airline's strategic leadership has been instrumental in driving this success. The executive team has established the ability to formulate and execute strategic plans that leverage the airline's strengths, such as its geographic location, diversified fleet, and skilled workforce, to capitalize on emerging opportunities in the industry. Besides, As sated by Kaplan & Norton, 2008; Yukl, 2008 The airline's continued performance and growth have set its position as a leading player in the African aviation sector and a model of success for other airlines in the region Finkelstein et al., 2009; Hitt et al., 2016) also indicated Ethiopian Airlines' pledge to innovation and continuous improvement, as evidenced by its investments in new technologies and infrastructure, has enabled the company to adapt to changing market conditions and maintain its competitive edge.

2.6.2 The Role of Strategic Leadership in Ethiopian Airlines

Abundant research has investigated the impact of strategic leadership in the success of Ethiopian Airlines. The airline's strategic leaders have been contributory in developing and implementing a clear vision, optimizing resource allocation, and fostering a culture of innovation and continuous improvement in accordance with Abebe and Angriawan (2014). The study spotlight how former Ethiopian airlines CEO, Tewolde Gebremariam and his executive team have been able to eloquently a compelling convincing strategic vision that has aligned the organization towards common goals, such as becoming the leading airline in Africa and a global aviation powerhouse (Avolio, 1999; Bass & Avolio, 1993). Moreover, the importance of transformational leadership in poring organizational change and performance ate Ethiopian airlines emphasis by Atnafu and Balda (2018) According to (Finkelstein et al., 2009; Hitt et al., 2016), The strategic leaders of the airline have verified proficiency in inspiring and motivating staff members, promoting innovation and risk-taking, and enabling them to participate in the company's continuous transformation. Ethiopian Airlines' consistent development and profitability can be attributed to its capacity to improve operational efficiency, provide exceptional customer service, and quickly adjust to changes in the business thanks to its strategic leadership strategy (Kaplan & Norton, 2008; Yukl, 2008). The result from the research underlines the critical role that strategic leadership has played in shaping the notable success of Ethiopian Airlines within the highly competitive African and global aviation markets.

2.7 Empirical Literature

Strategic Leadership in the Aviation Industry: Empirical Evidence

Pragmatic evidence from the aviation industry underlines the fundamental impact that strategic leadership can have on an organization's performance, accentuating the need for airlines to attract and retain top-level executives who possess the vision, strategic thinking, and execution competences required to navigate the dynamic and highly competitive landscape of the industry (Carpenter et al., 2004; Vera & Crossan, 2004). Moreover, researches on the aviation industry have highlighted the importance of strategic leadership in areas such as strategic decision-making, resource management, and organizational transformation (Atalay et al., 2013; Tsai & Lydia Wen, 2005). For example, studies have indicated that airlines led by strategic executives who can effectively articulate a clear vision and align their organizations towards common goals tend to outperform their competitors in terms of financial metrics, operational efficiency, and market share (Avolio, 1999; Bass & Avolio, 1993). Furthermore, strategic leaders who can proficiently allocate and leverage the organization's financial, technological, and human resources have been found to improve an airline's cost control, service quality, and overall competitiveness (Finkelstein et al., 2009; Hitt et al., 2016). Also, studies have Foregrounded the crucial role of strategic leaders in superintendent their organizations through periods of significant change, such as industry deregulation, the rise of low-cost carriers, and the adoption of new technologies, which are essential for maintaining an airline's long-term sustainability and adaptability (Kaplan & Norton, 2008; Yukl, 2008).

In 2023, Saron Mesfin conducted a study aimed at exploring the relationship between strategic leadership and the competitiveness of selected commercial banks in Addis Ababa. A mixed research approach was employed, utilizing both descriptive and explanatory research designs. The explanatory design specifically analyzed the relationship between strategic leadership and organizational competitiveness. The study population comprised 1,987 employees from six banks: Amhara Bank, Tsehay Bank, Gadda Bank, Ahadu Bank, Sinqee Bank, and Tseday Bank in Addis Ababa. From this population, a sample of 333 respondents was selected using a proportionate stratified sampling technique. Primary data were collected through self-administered questionnaires and interviews. The analysis utilized both inferential and descriptive statistics, facilitated by SPSS software. The results indicated that various dimensions of strategic leadership—such as human capital development, strategic intent, vision articulation, and strategic ownership tendency—positively and significantly influenced organizational competitiveness. Conversely, innovation was found to negatively impact organizational competitiveness. Among these factors, human capital development had the most profound effect, followed closely by strategic ownership tendency, along with strategic intent and vision articulation.

Based on the findings, the study recommends that banks prioritize human capital development by attracting, recruiting, and retaining skilled personnel. It also emphasizes the importance of integrating input from all employees during strategy formulation, encouraging managers to be responsive to their employees' concerns and needs. Furthermore, banks should establish a clear and realistic mission and vision statement, ensuring effective communication of these to all employees.

Holistic framework proposed by Michel Hitt

Strategic intent and vision articulation –

Strategic intent is fundamentally understood as the overarching purpose for which an organization strives. It acts as a guiding compass that shapes the philosophical framework within which the strategic management process operates. At the heart of strategic intent lies the mission, vision, goals, and objectives of the organization, which collectively define its direction and aspirations.

To better understand strategic intent, it is important to consider its key characteristics. First and foremost, strategic intent should foster a sense of winning; it should encompass aspirations that motivate the organization towards excellence and success. Additionally, it ought to exhibit a degree of stability over time, ensuring continuity and coherence in the organization's strategic direction. Moreover, effective strategic intent should rouse creativity, letting for innovative thinking and proactive problem-solving within the organization. Correspondingly important is its capacity to inspire individuals within the organization, encouraging them to embrace personal effort and commitment to the collective goal.

A vision statement attends as an asserting countenance of aspirations, enunciating what the organization intends to become within the near future. This statement serves as a clear roadmap;

it is the hallmark of strategic leaders to articulate a vision that is both realistic and inspiring, effectively communicating the organization's purpose and motivating employees to align their efforts towards a common goal. One of the principal errands of strategic leadership is to define the organization's purpose of existence while crafting a compelling vision.

Once a well-defined vision statement is developed, the onus falls on strategic leaders to effectively disseminate and reinforce this vision among all members of the organization. This process is crucial for ensuring that each individual understands and is committed to the vision, thereby facilitating the overall achievement of the organization's goals. The vision should evoke a vivid mental picture among team members, illustrating what the future could look like for the organization over the next five to ten years.

Moreover, strategic leaders must be prepared to allocate the necessary resources financial, human, and technological to turn the vision into a tangible reality. This commitment signifies the seriousness with which the organization approaches its long-term objectives.

Research conducted by Nyamu in 2017, titled "The Effect of Strategic Leadership on Organizational Competitiveness of Commercial Banks," highlights the significant positive relationship between organizational competitiveness and a firm’s ability to establish strategic intent alongside a clearly articulated vision. In accordance with Abdurazak & Solomon, 2019, Corresponding results accentuate the benefits of strategic leadership in searching the intricacies of the business environment and securing a competitive edge in the market.

Human Capital Development

The process involves equipping employees with the required skills and competencies that fit with organization objective, thus fulfilling the best interest of both the organizational and individual as a whole; indicate effective human capital development. It is a strategic approach that enables organization to attract and recruit suitable candidates, ensuring they are not only hired but also retained. Capitalizing in human resource development can lead to both individual employee growth and organizational performance improvement as the research conducted by Nyamu (2017).

Employing cutting-edge technology, mentoring programs and self-managed work teams can create a more fetching and productive work environment. In addition to, the utilization of traditional methods of managing human capital, organizations are increasingly adopting innovative strategies to enhance their workforce. Besides, enabling opportunities for experience sharing across similar industries and offering various training programs can significantly contribute to building a high-quality workforce.

These recent techniques to human capital management not only boost individual capabilities then also expand overall organizational competitiveness accordant with Aswathappa (2008). Organizations that capitalize in their human capital are better positioned to navigate challenges, adapt to change, and achieve sustainable growth. Moreover, Nyamu's (2017) research underpin the idea that effective human capital development possesses a considerable influence on enhancing an organization's competitiveness in the marketplace.

Strategic Ownership Tendency

It is to be extensively recognized that Organization bestows considerable time, expert knowledge, and financial resources in their quest to develop a suitable strategy tailored to their context. Nevertheless, the existences of a strategic plan do not guarantee victory or grantee the organizations competitive edge in marketplace. Numerous organizations find themselves facing significant constraint in the implementation of their strategic, plan even when those plans are precisely crafted. This limitation often ascends form the failure to adequately communicate the strategy and instill its importance within the workforce.

Undertaking personnel throughout the process is critical for developing a sense of ownership and commitment among employees. Furthermore, aligning key stakeholders is vital for the successful implementation of the strategic plan; their involvement and support can pointedly impact the outcome. Lastly, effective strategy execution imposes linking the right individual from the out sed, starting from strategy formulation to its eventual execution.

The effectiveness of a strategic plan's execution is directly proportional to the organization's commitment to engaging and aligning its members with the strategy, as recommended by research. Consequently, nurturing a culture where employees under understand and embrace the strategic direction of the organization is vital for achieving long-term success and maintaining a competitive advantage.

Innovation

Constant innovation is compulsory for firms aiming to establish a lasting presence and a differential advantage in their respective industries as accentuate by Hamid and Tasmin (2013). Therefore, it is vital for business to continually innovate their services and product in today’s dynamic environment; it is not only survival but thrive.Innovation has been widely categorized by scholarly research, conceding its function as change agent within organization and society. In 1934, Schumpeter’s in his initial work pinpointed five vital types such as new products, processes, supply sources, markets, and organizational techniques; whereas contemporary research broadens this sorting to include digital transformation, sustainability-driven innovation, and disruption based on ecosystem stated by Fursov & Thurner, 2024; Bogers et al., 2023). Current studies by (O’Reilly & Tushman, 2023), make a distinction between exploitative (incremental) and exploratory (radical) innovation; moreover, it focuses on open innovation (Chesbrough, 2023) and innovation in business models driven by AI (Nambisan et al., 2024). The everchanging taxonomies acmes the multi-layered impact of innovation on competitive strategy and long-term resilience.

Innovation was distinctives into four mains types: product, process, marketing and organization innovation by for Economic Co-operation and Development (OECD) in 2005, which was a significant classification. Respectively, the types serve as a definite purpose and justifies different needs within a firm, accentuating their perilous role in ensuring the or organization's practicality and competitive standing in a fast-paced global market.

2.8. Conceptual Framework

In this study, the conceptual framework examines the impact of strategic leadership on the organizational performance of Ethiopian airlines. The conceptual framework is developed on the work of Hitt et al (2012), which indicates the holistic perspective, stressing that effective strategic leadership contains utilizing organizational resources, such as human capital, innovation and communicating a clear strategic vision. The key elements of the framework are outlined below:

Independent Variable: Strategic Leadership

Strategic Intent and Vision Articulation

The ability of leaders to define and effectively communicate a clear strategic vision is essential for steering organizations toward their goals. Research indicates that the cognitive foundations and values of top managers—manifested through their observable traits—are significant in explaining and predicting strategic decisions as well as organizational performance. This highlights the critical role that personal attributes of leaders play in shaping strategic direction and achieving desired outcomes. (Bekos, G. & Chari, S., 2024)

Human Capital Development

Human capital, as defined by Hitt and Ireland (2002), refers to the comprehensive collection of knowledge, skills, and abilities that employees bring to an organization. In an increasingly dynamic and competitive business landscape, human capital has emerged as one of the most vital resources that a firm can harness to stay relevant and thrive. Employees play a pivotal role in the entire lifecycle of an organization, from its inception to its development and long-term sustainability.

Strategic ownership tendency

Strategic leadership tendency refers to the inclination of employees to understand, identify with, and take ownership of an organization’s strategy. This ownership motivates them to strive for effective implementation of the strategy using their full Key elements contributing to this tendency include clear communication of the strategy, employee involvement in strategic planning, and a culture that promotes alignment with organizational goals (Gegl & Wang, 2012; Hrebiniak, 2005).

Innovation

Innovation plays a crucial role in enhancing a firm's organizational competitiveness, serving as a fundamental component for achieving and maintaining an edge in the market. This perspective is supported by Tidd (2001), who argues that innovation is one of the most significant drivers of sustained competitive advantage. Within the strategic framework of business, innovation is viewed as the cornerstone upon which firms can build and uphold their competitive position in an increasingly dynamic and globalized marketplace (Lin & Chen, 2007).

As Sheu (2007) points out, understanding and effectively implementing various forms of innovation is key to not only the survival of an organization but also its growth and adaptation in an environment that is marked by constant change and uncertainty. Thus, innovation is not just a tool for improvement; it is an essential element of strategic planning and execution vital for long-term success.

Dependent Variable: Organizational Performance

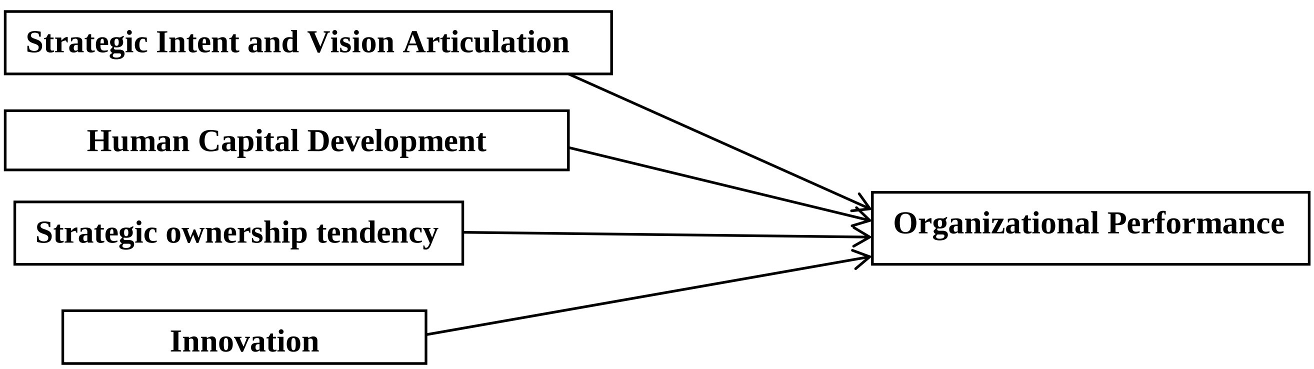
The dependent variable in this framework is organizational performance, which refers to the multidimensional construct of Ethiopian Airlines' effectiveness, efficiency, and competitiveness. Organizational performance is measured across the following key dimensions:

1. Financial Performance: Indicators such as revenue growth, profitability, return on assets, and cost efficiency (Venkatraman & Ramanujam, 1986; Kaplan & Norton, 1996).
2. Customer services Performance: Indicators such as on-time performance, passenger satisfaction, cargo volume, and fleet utilization (Kaplan & Norton, 1996; Neely et al., 1995).
3. Learning and growth: Indicators such as market share, customer loyalty, brand reputation, and global connectivity (Porter, 1985; Barney, 1991).
4. Internal Process: The Internal Process perspective is a crucial aspect of organizational management, emphasizing the importance of internal operational objectives that must be met in order to provide value to both customers and stakeholders. This perspective seeks to identify and analyze the key processes that contribute to the overall success of the

organization. By continuously refining these internal processes, organizations can maintain a competitive edge and drive sustainable growth (Kaplan & Norton, 1992).

The conceptual framework proposes that the strategic leadership abilities of the top executives at Ethiopian Airlines have a direct and positive effect on the overall performance of the airline. In other words, it is anticipated that the independent variable of strategic leadership will influence and enhance the dependent variable of organizational performance across financial, Customer services Performance, Learning and growth and Internal Process aspects, as well as the company's performance as outlined by the Airline's Balanced Scorecard, which is the current performance measurement model utilized by the firm under examination – Ethiopian Airlines Group. Consequently, the study's conceptual framework is:

Conceptual Framework diagram



Source: The researcher based on the Literature review

Hypothesis

The following hypothesis is developed from the conceptual framework:

- H1: - Strategic intent and vision articulation has a positive and significant effect on organizational Performance of Ethiopian Airlines
- H2: - Human Capital Development has a positive and significant effect on organizational Performance of Ethiopian Airlines
- H3: - Strategic ownership tendency has a positive and significant effect on organizational Performance of Ethiopian Airlines
- H4: - Innovation has a positive and significant effect on organizational Performance of Ethiopian Airlines

CHAPTER THREE

3.0 Research Methodology

As noted by Yin (Yin, 2009), the methodology represents a vital component of the research process. The research methodology included the geographic area and timeframe of the study, the research design and methodology, the source of data and methods of collection, sampling techniques and processes, the sample size, and the determination of sample size, as well as the instruments for data collection and measurement, validity and reliability considerations, methods of analysis, and ethical considerations.

3.1 Description of the study area and The Study Period

This research was conducted within the Ethiopian Airlines Group. The study primarily targeted Strategic decision makers of Ethiopian Airlines throughout the organization, aiming to investigate the strategic leadership of Ethiopian Airlines and its impact on organizational performance. Subsequently, Wilson (2014), the research procedure contains the phases of collecting, recording and rendering data. Emphasis on evidence collection and addressing the research enquiry.

3.2 Research Design and Approach

3.2.1Research Approach

This research adopted a quantitative approach in order to respond numerous research questions, considered by its focuses on objective measurements and statistical scrutiny. The methodology allows severe testing of hypotheses and supports identify patterns and trends by utilizing numerical data with the collection. Creswell (2014), A quantitative approach is predominantly beneficial in context where researchers' intention to quantify variables and asses the relationship between independent and dependent variables.

3.2.2 Design / Type/ of Research

The researcher exploited a descriptive-explanatory design that mises both descriptive and explanatory approaches according to sunders et al. (2012). In chapter one detailed for the main research objective, a descriptive design was executed, while an explanatory design was implemented for the other specific study objectives. This approach is predominantly valuable for creating causal relationship between the independent and dependent variables.

3.3 Population of the study

The research intense on strategic decision-makers within various departments of the Ethiopian airlines Group. Employees are vital to the organization as they oversee the superintend operation and facilitate effective communication. The research aimed to collect insights from a diverse group of individuals with direct experience in the airline's operations, thus offering a comprehensive understanding of the challenges and opportunities the company encounters in the highly competitive aviation industry.

3.4. Sampling Technique

The research examined the impact of strategic leadership on the organizational performance of Ethiopian Airlines, specifically highlighting the roles of strategic decision-makers within the organization. A simple-random sampling method was employed to gather data for this study, ensuring a representative selection of participants and thereby enhancing the reliability and validity of the findings (Kothari, 2004).

3.5. Sampling Size and Sample Size Determination

As of January 2025, Ethiopian Airlines employed 637 individuals in middle management positions. Among them the most commonly used is that of (Yamane, 1967) usually used if the population is finite and large.

The formula results the sample size is presented below:

$$n = \frac{N}{1+Ne^2}$$

- ❖ n = the sample size
- ❖ N = Population
- ❖ ε = the desired margin of error (0.05)

$$No = \frac{(637)}{1+637(0.05)^2} = 240$$

Therefore, sample size for this study is **240**

3.6. Data Source and Method of Collection

3.6.1. Source and Types of data

The study used both primary and secondary data, with primary data addressing the majority of the research questions. The data was structured by conducting our own survey, and secondary data will be received from Ethiopian Airlines Group.

3.6.2. Data Collection Methods

Secondary data collected from the monthly factsheets published by Ethiopian Airlines. Consequently, various documents available online and on the Ethiopian Airlines website will be reviewed. For the collection of primary data, a structured questionnaire was administered digitally using Google Forms. The questionnaire was divided into three sections: Part I, Part II, and Part III. Part I gathered general information about the respondents, Part II focused on strategic leadership, and Part III examined the impact of strategic leadership on organizational performance. The questionnaire consisted of closed-ended questions, utilizing a Likert scale for measurement.

3.7 Data Collection instrument and measurement

Data was collected using a survey questionnaire adapted from the work of Saron Mesfin (2023) and REBBON B. MARIWA (2021), along with additional sources, which incorporated the idea of organizational performance consisting of four perspectives: financial, customer, internal business process, and learning & growth perspectives, based on the Balanced Score Card (BSC) model of Ethiopian Airlines Group, encompassing the four performance dimensions identified by Asrat (2021). The approach of descriptive research is quite effective. This indicates that a descriptive study provides quantifiable information that can be used to infer statistical conclusions regarding the target demographic through data analysis. Consequently, this research method utilizes closed-ended questions. Both the independent and dependent variables will be evaluated using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree). This widely-used rating scale allows respondents to express their level of agreement or disagreement with a range of statements or questions (Zikmund, 2013). The simplicity of creating and administering this rating scale makes it easily understandable for participants.

Part I: In the first part, the demographic variable has been collected with closed-ended questions.

Part II: In the Second part, it has been measured the independent variables of strategic leadership closed-ended questions.

Part III. In the third part, it will be measured the dependent variables of organizational performances closed-ended question

No.	Strategic Leadership	No of questions
1	Strategic intent and vision articulation	5
2	Strategic ownership tendency	5
3	Human Capital Development	5
4	Innovation	5

Table 1 Measurement Scale

No.	Organizational Performance	No of questions
1	Financial Performance	5
2	Customer Performance	5
3	Internal Business Process Performance	5
4	Learning and Growth Performance	5

Table 2 Measurement Scale

3.8. Method of data analysis

The analysis was divided into two sections. The study mainly utilized a Descriptive-explanatory model that incorporated both descriptive and explanatory approaches, along with data obtained from both primary and secondary sources. In the initial segment of the analysis, descriptive methods were employed to grasp the aim of the first research question, focusing on customers' views regarding strategic leadership.

The second segment of the study evaluated the strategic leadership effect on the organization's reputation. Furthermore, the association between the independent and dependent variables was examined for the other research questions. To ensure the precision of the analysis, multiple linear regression analysis was carried out using SPSS version 26, and all required tests were executed.

For the second part analysis, the general multiple regression model is assumed as follows;

$Yi = ß0 + ß1X1i + ß2X2i + \ldots + ßn\, Xni + Ei$

Where: Yi is the dependent variable for i^{th} observation;

Xi is the independent variable for i^{th} observation;

B0 is the intercept; ßn are regression coefficients; and ei is the error term for i^{th} observation. The multiple regressions will be conducted with the model indicated below. Based on the conceptual framework, the regression equation will be as follows;

$ETGOI = ß0 + ß1SIV + ß2SOT + ß3HCD + ß4\, IN$

Where:

Dependent variables:

OP= Organizational performance of Ethiopian Airlines

Independent Variables: Strategic Leadership dimension as follows;

SIV= Strategic intent and vision articulation of Strategic Leadership dimension in Ethiopian Airlines Group

SOT= Strategic ownership tendency of Strategic Leadership dimension in Ethiopian Airlines Group

HCD= Human Capital Development of Strategic Leadership dimension in Ethiopian Airlines Group

IN=Innovation of Strategic Leadership dimension in Ethiopian Airlines Group

3.9 Validity Analysis

Validity in research pertains to the correctness of an instrument in measuring its intended target. To evaluate the reliability of the measures utilized in the data, validity checks are conducted, which encompass content validity, criterion-related validity, and construct validity. This procedure guarantees that the research accurately assesses its intended goals without any bias or distortion. To determine the validity of the questionnaire, pertinent literature was examined to extract necessary characteristics. The questionnaire was formulated based on an adapted model, verified against previous relevant studies, and assessed by a group of advisors and academics.

The research tools were primarily developed from the literature review, and the researcher utilized content validity to assess how comprehensively the instrument addressed the subject matter in the survey items. The final iteration of the tools included all approved suggestions and modifications.

3.10 Reliability Analysis

The quality of data was evaluated through reliability assessments. These assessments aimed to identify whether the measurement objects-maintained consistency (Cerri, 2012). To assess the reliability of the data in this study, SPSS software version 26 was utilized, employing Cronbach's Alpha. The internal consistency of the variables in the research instrument was evaluated by calculating Cronbach's alpha coefficient. In this research, a score of 0.802 or higher on Cronbach's alpha was deemed sufficient to establish reliability. For further analysis, the reliability of the scale was indicated by a coefficient alpha of 0.802 in this research.

No	Description the title of the questionnaire	Number of items	Cronbach's Alpha
1	Strategic Intent and vision	5	0.773
2	Strategic ownership tendency	5	0.787
3	Human Capital Management	5	0.712
4	Innovation	5	0.895
5	Organizational performance	20	0.845
6	Overall reliability	40	0.802

Table 3 Reliability Analysis

3.11 Ethical Consideration

The research fully considers ethical principles, which include the right to make choices, the right to safety, the right to be informed, and the right to privacy and confidentiality. The Department of Management at Addis Ababa University's School of Commerce has established ethical standards that this study adheres to. The researcher will reach out to a member of Ethiopian Airlines management using a questionnaire, and each participant will be asked for their consent. To ensure the confidentiality of the information shared by the respondents, they will be instructed not to include their names in the questionnaire. The respondents will be guaranteed that their answers will solely be used for academic purposes and will remain confidential.

CHAPTER FOUR

ANALYSIS, DISCUSSION, AND INTERPRETATION

4.1 Introduction

The analysis section consists of three key components. The first part provides a descriptive examination of strategic leadership. The subsequent two parts illustrate the linear and causal relationships between the dependent and independent variables.

4.2 Demographic Information on the Respondent

The respondent's demographic information includes their gender, age, educational background, years of service, and positions. The data is presented in table form for clarity. A total of 200 respondents completed the 241-questionnaire distributed. Among them, 126 respondents, or 63%, were male, while 74 respondents, or 37%, were female.

AGE of respondents

Out of the total respondents in the survey, the largest segment, which constitutes 82 individuals (41%), fell within the age range of 25 to 35 years. Conversely, the smallest group included only 11 respondents (5.5%) who were over the age of 55. The other participants were divided into those aged 35 to 45, totaling 58 respondents (29%), and those aged 45 to 55, who numbered 49 respondents (24.5%). From this assessment, it can be inferred that most of the respondents were young adults.

Education qualification of the respondent

Regarding the educational background of the respondents, 53% (106 individuals) held a Bachelor's Degree. Additionally, 14% (28 individuals) had a high school education, 8.5% (17 individuals) had a Diploma education, and 24.5% (49 individuals) held a Master's Degree.

Years of service Regarding years of service, the majority of respondents fell within the 17 to 27 years range, totaling 103 (51.5%). A smaller group, 92 respondents (46%), had between 6 to 16 years of service, while 5 respondents (2.5%) were in the 27 to 37 years category.

Position

The data indicates that the majority of participants are team leaders, comprising 55 individuals or 27.5% of the total participants. Following them, 59 individuals, or 29.5%, are identified as A/team leaders. There are 68 individuals, or 34%, who hold a manager position. The number of individuals with an A/manager position is 9, accounting for 4.5%. Additionally, 6 individuals, or 3.0%, are directors, while 3 individuals, or 1.5%, are classified as A/directors.

Table 4 Demographic information

Demographic information	Category	Frequency	Percentage
SEX	Male	126	63
	Female	74	37
AGE	25-35	82	41
	35-45	58	29
	45-55	49	24.5
	Above 55	11	5.5
Education qualification	High school complete	28	14
	Diploma	17	8.5
	Degree	106	53.0
	Masters	49	24.5
Years of service	Below 5 years	-	-
	6 to16 years	92	46
	17 to 27 years	103	51.5
	27 to 37 years	5	2.5
	Above 37 years	-	-
Position	Team Leader	55	27.5
	A/Team Leader	59	29.5
	Manager	68	34.0
	A/Manger	9	4.5
	Director	6	3.0
	A/Director	3	1.5

4.3 Descriptive Analysis of the Independent Variables

Descriptive statistics were utilized to analyze the independent variable in this section and to respond to the first research question. The mean values of both the dependent and independent variables provided insights into their relationship scores.

Strategic intent and vision

Based on the data provided, Ethiopian Airlines has received excellent ratings for its vision and mission, which are communicated throughout the organization. This is evidenced by around 175 respondents who either strongly agreed or agreed, while only 25 respondents remained neutral. The airline uses a comprehensive approach to strategy formulation that actively includes all employees, with around 135 respondents strongly agreeing or agreeing, 63 being neutral, and 2 expressing disagreement. Ethiopian Airlines has established long-term strategic plans that incorporate feedback from all stakeholders and regularly conducts meetings to assess and review progress, receiving responses of 1 disagreement, 32 neutral, and 167 in agreement or strong agreement. The airline performs strategic leadership assessments to analyze the overall business landscape, with 24 respondents disagreeing, 52 being neutral, and 124 agreeing or strongly agreeing. Ethiopian Airlines encourages proactive problem-solving within the organization, as seen from 40 respondents who disagreed, 39 who were neutral, and 121 who strongly agreed or agreed. In conclusion, the strategic decision-makers at Ethiopian Airlines have successfully met various criteria. The calculated mean (M=3.881, SD=0.821068) values indicate a strong presence of strategic intent and vision within the airline, as shown in the table below.

Strategic intent and vision	Response						Mean	Std.D	AM	SD
	SA &A	%	N	%	D&SD	%				
Ethiopian Airlines has a vision and mission that are widely communicated throughout the organization, reflecting its core activities.	175	87.5	25	12.5	-	-	4.1950	.73955	3.881	0.821068
I am confident that the airline employs a thorough process for strategy formulation that actively involves all employees.	135	67.5	63	31.5	2	1	3.7950	.76723		
Ethiopian Airlines has long-term strategic plans that involve input from all stakeholders and holds regular meetings to monitor and review progress.	167	83.5	32	16	1	0.5	4.1550	.69526		
Ethiopian Airlines conducts strategic leadership assessments to evaluate the overall business environment.	124	62	52	26	24	12	3.6400	.86843		
Ethiopian Airlines solicits proactive problem-solving within the organization	121	60.5	39	19.5	40	20	3.6200	1.03487		

Table 5 Strategic intent and vision own survey

Strategic Ownership Tendency

According to the provided table, Management is dedicated to satisfying mutual interests and nurturing a collaborative atmosphere; out of 160 respondents, 40 (20%) expressed disagreement. Ethiopian Airlines engaged with stakeholders to grasp our concerns among the respondents, where 149 were in agreement (combining those who strongly agreed and those who agreed), 12 disagreed, and 39 remained neutral. Leadership actively seeks input and feedback prior to decision-making; from 135 respondents (the sum of those who strongly agreed and those who agreed), 13 disagreed, while 52 remained neutral. I believe that the leadership of Ethiopian Airlines aims to establish trust with various stakeholders, as indicated by 144 respondents who agreed (the total of those who strongly agreed and those who agreed), with 14 disagreeing and 42 neutral. The leadership employs expert knowledge to formulate an appropriate strategy, as shown by 170 respondents who agreed (combined total of those who strongly agreed and those who agreed), 6 disagreed, and 24 remained neutral. In conclusion, the mean calculated for Strategic Ownership tendency in Ethiopia (M=4.016, SD=0.814742) suggests a lower level of activity as reflected in the table below.

Strategic Ownership Tendency	Response						Mean	Std.D	AM	SD
	SD& D	%	N	%	SA& A	%				
Management is committed to mutual interest satisfaction and is committed to fostering a collaborative environment.	-	-	40	20	160	80	4.1250	.71550	4.016	.814742
Ethiopian Airlines reached out to stakeholders to understand our concerns.	12	6	39	19.5	149	74.5	3.9650	.84697		
The leadership seeks input and feedback before making decisions, as needed.	12	6.5	52	26	135	67.5	3.8300	.84538		
I believe Ethiopian Airlines' leadership strives to build trust with different types of stakeholders	14	7	42	21	144	72	4.0500	.94444		
The leadership utilizes expert knowledge in their quest to develop an appropriate strategy	6	3	24	12	170	85	4.1100	.72146		

Table 6 Strategic Ownership Tendency own survey

Human Capital Management

According to the provided table, the strengths of Ethiopian Airlines lie in its ability to effectively manage its human and social capital. Out of 200 respondents, 27 (13.5%) expressed disagreement with this statement, while 44 (22%) were neutral, and 129 (64.5%) indicated agreement (either agree or strongly agree). The development of human capital has significantly contributed to performance improvements. Among the 200 respondents, 107 (53.5%) disagreed with this assertion, 28 (14%) remained neutral, and 65 (32.5%) agreed (either agree or strongly agree). Effective practices in human capital development motivate employees to work efficiently, even in uncertain and turbulent business environments. In this context, 106 respondents (53%)

expressed disagreement, 29 (14.5%) were neutral, and 65 (32.5%) indicated agreement (either agree or strongly agree). Ethiopian Airlines has a clear framework for employing competent individuals based on their skills, competencies, and experience. Of the 200 respondents, 30 (15%) disagreed, 15 (7.5%) were neutral, and 139 (69.5%) agreed (either agree or strongly agree). Finally, human capital management enhances the talent and skills of employees. In this case, 106 respondents (53%) disagreed, 28 (14%) were neutral, and 66 (33%) agreed (either agree or strongly agree). In conclusion, the mean calculated for Human Capital Management in Ethiopia (M=3.771, SD=0.94439) suggests a lower level of activity as reflected in the table below.

Human Capital Management	Response						Mean	Std.D	AM	SD
	SD &D	%	N	%	SA& A	%				
The Strong side of Ethiopian Airlines lies in its ability to effectively manage its human and social capital.	27	13 .5	44	22	129	64.5	3.6900	1.02917	3.771	0.94439
The development of human capital has significantly contributed to our performance improvements.	107	53 .5	28	14	65	32.	3.7650	.96146		
Effective practices in human capital development motivate employees to work efficiently, even in uncertain and turbulent business environments.	106	53	29	14. 5	65	32.5	3.8150	.87441		
Ethiopian Airlines has a clear framework for employing competent individuals based on their skills, competencies, and experience.	30	15	31	15. 5	139	69.5	3.8700	1.00406		
The human capital management enhances the talent and skill of the employee	106	53	28	14	66	33	3.7150	.85288		

Table 7 Human Capital Management own survey

Innovation

According to the provided table, Ethiopian Airlines demonstrates a willingness to embrace innovation. Out of 200 respondents, 111 (55.5%) disagreed or strongly disagreed with the idea that Ethiopian Airlines is open to innovation, while 63 (31.5%) were neutral, and 26 (13%) agreed or strongly agreed. Regarding the impact of innovation on performance, 59 respondents (29.5%) disagreed or strongly disagreed with the statement "The more Ethiopian Airlines innovates its products, the better it performs." Meanwhile, 67 (33.5%) were neutral, and 74 (37%) agreed or strongly agreed. When asked if Ethiopian Airlines can enhance its performance by innovating new products, 57 respondents (42%) disagreed or strongly disagreed, 34 (34%) were neutral, and 109 (54.5%) agreed or strongly agreed. Participants also shared their belief that Ethiopian Airlines will benefit from innovative ideas. The opinions were similar to the previous variables. Additionally, the airline was evaluated on its innovation in introducing new and significantly improved human resource management systems aimed at pursuing operational efficiency, where 94 respondents (47%) disagreed or strongly disagreed, 48 (24%) were neutral, and 58 (29%) agreed or strongly agreed

Innovation	Response						Mean	Std. D	AM	SD
	SD&D	%	N	%	SA&A	%				
Ethiopian Airlines is open for innovation	111	55.5	63	31.5	26	13	2.355	.99697	2.750	.73645
The more Ethiopian Airlines innovates its products, the better it performs.	59	29.5	67	33.5	74	37	3.035	.88753		
Ethiopian Airlines can enhance its performance by innovating new products.	57	42	34	17	109	54.5	2.79	.94038		
I believe Ethiopian Airlines will benefit from innovative ideas	57	42	34	17	109	54.5	2.79	0.7365		
Ethiopian Airlines is innovative in introducing new and significantly improved human resource management systems for pursuing operational efficiency	94	47	48	24	58	29	2.78	0.7206		

Table 8Innovation own survey

Summary of Descriptive variables of the independent variable with the dependent variable

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Strategic Intent and Vision	200	2.80	5.00	3.8810	.99634
Strategic ownership tendency	200	2.80	5.00	4.0160	.88766
Human Capital Management	200	2.00	5.00	3.7710	.94530
Innovation	200	1.80	3.60	2.750	.73645
Organizational performance	200	3.30	5.00	4.0098	.72207

Table 9 Summary of Descriptive variables of the independent variable with the dependent variable

4.4 Correlation Statistics

Before moving on to the next session, which presents the regression analysis, it would be helpful to understand the correlation between the variables in the study.

Correlation of Independent Variables with the Dependent Variable

Correlations

		SIVA	SOT	HCM	in123	FP	CP	IBP	LGP
SIVA	Pearson Correlation	1	.798**	.809**	.879	.712	.796**	.619	.758
	Sig. (2-tailed)		.000	.000	.265	.865	.005	.093	.02
	N	200	200	200	200	200	200	200	20
SOT	Pearson Correlation	.798**	1	.730**	.890**	.728	-.625	-.827	.883*
	Sig. (2-tailed)	.000		.000	.007	.072	.726	.001	.01
	N	200	200	200	200	200	200	200	20
HCM	Pearson Correlation	.809**	.730**	1	.852*	.715	.811	-.725	.89
	Sig. (2-tailed)	.000	.000		.031	.830	.879	.722	.19
	N	200	200	200	200	200	200	200	20
In	Pearson Correlation	.879	.890**	.852*	1	-.755	-.873	-.884	.87
	Sig. (2-tailed)	.265	.007	.031		.438	.962	.959	.28
	N	200	200	200	200	200	200	200	20
FP	Pearson Correlation	.712	.728	.715	-.755	1	.673**	.582*	.752*
	Sig. (2-tailed)	.865	.072	.830	.438		.000	.010	.00
	N	200	200	200	200	200	200	200	20
CP	Pearson Correlation	.796**	-.625	.811	-.873	.673**	1	.746*	.876*
	Sig. (2-tailed)	.005	.726	.879	.962	.000		.040	.00
	N	200	200	200	200	200	200	200	20
IBP	Pearson Correlation	.619	-.827	-.725	-.884	.582*	.746*	1	.155
	Sig. (2-tailed)	.093	.699	.722	.959	.010	.040		.02
	N	200	200	200	200	200	200	200	20
LGP	Pearson Correlation	.758*	.883**	.892	.876	.752**	.876**	.155*	
	Sig. (2-tailed)	.025	.010	.193	.283	.000	.000	.028	
	N	200	200	200	200	200	200	200	20
OP	Pearson Correlation	.884**	.980	.929	-.893	.706**	.794**	.502**	.611*
	Sig. (2-tailed)	.009	.261	.685	.961	.000	.000	.000	.00
	N	200	200	200	200	200	200	200	20

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

*. Correlation is significant at the 0.05 level (2-tailed).

Table 10 Correlation- Own survey

The independent variable, which is strategic intent and vision, has shown substantial positive correlations with all four components and the dependent variable. The significance level of the correlation for organizational performance is 88%, while it ranges from 61% to 87% for the other variables. In contrast, the other components, specifically strategic ownership tendency and human capital, have a correlation confidence level that varies between 79% and 98% with positive correlation to the dependent variables. Conversely, the independent variable Innovation has demonstrated an insignificant and negative correlation with the dependent variable, at a confidence level of 89%.

4.5Regression Analysis

4.5.1 Diagnosis Test Result

At the start of the study, the researcher conducted a series of diagnostic tests to confirm that the results were not obtained by chance. Consequently, the model being analyzed showed a high level of rigor and robustness, as demonstrated by the tests described in this section.

4.5.2Normality test

When performing a normality test on a large dataset, it is crucial to confirm that the absolute value of skewness is between -2 and 2, and that the absolute value of kurtosis is within a range of -7 to 7. Upon examining the results, it was observed that all variables satisfied these conditions for both skewness and kurtosis, suggesting that they are normally distributed and display some level of skewness. The independent variables, which consist of strategic intent and vision, strategic ownership tendency, human capital management, and innovation, showed the following skewness values: 0.673, -0.254, -0.762, -0.213, and -0.195, respectively. Meanwhile, the value of kurtosis values for these independent variables were-0.185, -0.233, 0.699, and 0.822, correspondingly. The skewness value of the dependent variable presented 0.134 and a value of kurtosis of 0.569, as indicated in Annex 2.

4.5.3Multicollinearity Test

Multicollinearity is a recurrent limitation met in regression analysis, that result in biased and unreliable estimates of regression coefficients. It is an effective technique to distinguish multicollinearity is by utilizing a collinearity diagnostic test, like the (VIF) Variance Inflation Factor. The VIF assesses the extent of correlation between each independent variable and all other independent variables within the model. Typically, a VIF score that exceeds 10 signifies the existence of multicollinearity (O'Brien, 2007). In our analysis, we evaluated the VIF values of the variables in our model and determined that multicollinearity was not an issue. The VIF values for the independent variables Strategic Intent and Vision, Strategic Ownership Tendency, Human Capital Management, and Innovation were 1.207, 1.544, 1.419, and 1.042, respectively, as indicated in Annex 2.

4.5.4 Homoscedasticity

The assumption of homoscedasticity in regression analysis implies that the residuals corresponding to each level of the predictor variable(s) exhibit similar variances. To evaluate this distribution, you can create plots of ZRESID against ZPRED. In a situation where homoscedasticity is present, the data points should be distributed fairly evenly around the horizontal zero line, without any pronounced fanning or cone-like shape. This arrangement indicates that the variance of the residuals remains uniform across the range of predicted values, confirming homoscedasticity. Conversely, if the data displayed heterogeneity in variance (heteroscedastic), the dispersion of the points would either broaden or narrow as one moves along the x-axis. Thus, it can be inferred that heteroscedasticity is not present.

4.5.5 Autocorrelation

Autocorrelation is defined as the premise that a disturbance in one time period does not affect disturbances in subsequent time periods when observations are conducted over time. The Durbin-Watson statistic is frequently utilized to assess autocorrelation (White, K., 1992). In this analysis, the researcher applied the Durbin-Watson statistic to assess autocorrelation within the data. The resulting value of 2.11, as shown in the table below, lies within the acceptable range for this assessment.

4.6 Regression Analysis Result

Once the assumptions were thoroughly checked, as indicated in Table 9, regression analysis was conducted using the model

$Yi = ß0 + ß1X1i + ß2X2i + \ldots + ßn\ Xni + Ei$

Where: Yi is the dependent variable for i^{th} observation;

Xi is the independent variable for i^{th} observation;

B0 is the intercept; ßn are regression coefficients; and ei is the error term for i^{th} observation. The multiple regressions will be conducted with the model indicated below. Based on the conceptual framework, the regression equation will be as follows;

ETGOI = ß0 + ß1SIV + ß2SOT + ß3HCD + ß4 IN

Where:

Dependent variables:

OP= Organizational performance of Ethiopian Airlines

Independent Variables: Strategic Leadership dimension as follows;

SIV= Strategic intent and vision articulation of Strategic Leadership dimension in Ethiopian Airlines Group

SOT= Strategic ownership tendency of Strategic Leadership dimension in Ethiopian Airlines Group

HCD= Human Capital Development of Strategic Leadership dimension in Ethiopian Airlines Group

IN=Innovation of Strategic Leadership dimension in Ethiopian Airlines Group

Model summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.188[a]	.354	.456	.24519	
a. Predictors: (Constant), IN, SIVA, HCM, SOT					
b. Dependent Variable: OP					

Table 11 Model summaryb- own survey

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.431	4	7.608	170.904	.000[b]
	Residual	50.723	195	.260		
	Total	81.154	199			
a. Dependent Variable: OP						
b. Predictors: (Constant), IN, SIVA, HCM, SOT						

Table 12 ANOVAa - own survey

Coefficents[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.626	.216		16.813	.000
	SIVA	.111	.046	.185	2.399	.017
	SOT	.216	.043	.232	1.367	.000
	HCM	.320	.039	.243	-.510	.611
	IN	-.110	.041	-.118	-.248	.805
a Dependent variable: OP						

Table 13 Coefficentsa- own

According to the R square adjustment, the alterations in the explanatory variables take into account 35% of the change in the organizational performance over the observed period, as stated in Table 13.

Hypothesis Testing

Hypothesis		Result
H1	Strategic intent and vision have a positive and significant effect on the organizational performance of Ethiopian Airlines	-The hypothesis is validated by a beta coefficient of 0.111, which is greater than 0, and a P value that exceeds 0.05. This indicates that strategic intent and vision have a positive and significant impact on the organizational performance of Ethiopian Airlines. Additionally, a beta coefficient of 0.085, along with a P value greater than 0.05, further supports this conclusion.

H2	The Positive Impact of Strategic Ownership Tendency on the Organizational Performance of Ethiopian Airlines	The hypothesis is supported by a beta coefficient of 0.216, which is greater than 0, and a p-value exceeding 0.05. This indicates that strategic ownership tendency has a positive and significant effect on the organizational performance of Ethiopian Airlines.
H3	Human Capital Development has a positive and significant effect on the organizational Performance of Ethiopian Airlines	The hypothesis is validated as the beta coefficient is 0.320, which is greater than 0, and the P-value is greater than 0.05. Therefore, it can be concluded that strategic ownership tendency positively and significantly impacts the organizational performance of Ethiopian Airlines.
H4	Innovation has a positive and significant effect on the organizational performance of Ethiopian Airlines	However, H4 was rejected due to a negative beta coefficient value of -0.110 and a significant p-value of less than 0.05. The negative beta coefficient indicates that the independent variable, Innovation, has a negative and insignificant effect on the dependent variable, organizational performance.

Typically, strategic leadership exerts a beneficial and significant influence on the performance of an organization. The regression analysis indicates that strategic intent and vision, the tendency for strategic ownership, and the management of human capital display a strong and positive relationship with the dependent variable among the four independent variables. In contrast, innovation shows a negative and insignificant link with the dependent variable throughout the study.

4.7 Interpretation of Results

The results suggest that three factors, strategic intent and vision, strategic ownership inclination, and human capital management, are positively and significantly correlated with the organizational performance of Ethiopian Airlines. On the other hand, innovation exhibits a negative and insignificant link to this dependent variable.

The survey findings provide important insights into Ethiopian Airlines' performance in various service areas. Concerning strategic intent and vision, strategic ownership inclination, and human capital management, the airline achieved high ratings for many elements related to these independent variables.

The majority of respondents feel that Ethiopian Airlines demonstrates strong strategic leadership. However, there are mixed opinions among some respondents regarding the importance of innovation in strategic leadership.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The chapter is organized into four segments. The initial part provides an overview of the research findings. The second part contains the conclusions derived from the study's results. The third part outlines the recommendations based on the findings and conclusions. Finally, the fourth part indicates the direction for upcoming research.

5.1 Summary of Findings

This study seeks to investigate the elements influencing the performance of Ethiopian Airlines and the strategic leadership functions it plays. The elements examined include strategic intent and vision, trends in strategic ownership, human capital management, and innovation. In this section, the researcher provided a summary of the study's results. The researcher distributed a total of 240 questionnaires to the selected respondents. Of these, 200 were completed correctly, leading to a response rate of 83%.

Among the total participants in the survey, the largest age group consisted of 82 individuals (41%) who were between 25 and 35 years old. In contrast, the smallest demographic comprised just 11 respondents (5.5%) aged over 55. The remaining participants were categorized into two other age groups: those aged 35 to 45, making up 58 respondents (29%), and those aged 45 to 55, totaling 49 respondents (24.5%). From this analysis, it can be deduced that the majority of respondents were young adults.

In terms of the educational qualifications of the respondents, 53% (106 individuals) possessed a Bachelor's Degree. Furthermore, 14% (28 individuals) had completed high school, 8.5% (17 individuals) held a Diploma, and 24.5% (49 individuals) achieved a Master's Degree.

In terms of years of service, most of the participants were in the 17 to 27 years range, with a total of 103 respondents (51.5%). A lesser group, consisting of 92 respondents (46%), had between 6 to 16 years of experience, while 5 respondents (2.5%) were in the 27 to 37 years category.

The data shows that most participants are team leaders, totaling 55 individuals, which represents 27.5% of the overall participants. Next, there are 59 individuals, or 29.5%, categorized as A/team leaders. Additionally, 68 individuals, accounting for 34%, have a manager role. The group of individuals holding an A/manager position consists of 9 people, making up 4.5%. Furthermore, there are 6 individuals, or 3.0%, who serve as directors, while 3 individuals, representing 1.5%, are classified as A/directors.

According to the data collected, Ethiopian Airlines has achieved outstanding ratings concerning its vision and mission, which are effectively communicated across the organization. This is supported by approximately 175 respondents who either strongly agreed or agreed, while only 25 respondents expressed neutrality. The airline implements a comprehensive strategy formulation process that actively involves all employees, with around 135 respondents strongly agreeing or agreeing, 63 remaining neutral, and 2 indicating disagreement. Ethiopian Airlines has developed long-term strategic plans that integrate feedback from all stakeholders and routinely holds meetings to evaluate and review progress, as demonstrated by 1 disagreement, 32 neutral responses, and 167 in agreement or strong agreement. The airline conducts strategic leadership assessments to evaluate the overall business environment, with 24 respondents disagreeing, 52 being neutral, and 124 echoing agreement or strong agreement. Ethiopian Airlines promotes proactive problem-solving throughout the organization, illustrated by 40 respondents who disagreed, 39 who were neutral, and 121 who strongly agreed or agreed.

Based on the table provided, the management is committed to meeting mutual interests and fostering a collaborative environment; among 160 respondents, 40 (20%) indicated disagreement. Ethiopian Airlines reached out to stakeholders to understand the concerns of the respondents, where 149 were in favor (the sum of those who strongly agreed and those who agreed), while 12 disagreed, and 39 were neutral. Leadership actively solicits input and feedback before making decisions; out of 135 respondents (the total of those who strongly agreed and those who agreed), 13 disagreed, while 52 were neutral. I believe that the leadership of Ethiopian Airlines intends to build trust with various stakeholders, as demonstrated by 144 respondents who agreed (the total of those who strongly agreed and those who agreed), with 14 disagreeing and 42 remaining neutral. The leadership utilizes expert knowledge to develop a suitable strategy, as evidenced by 170 respondents who agreed (the combined total of those who strongly agreed and those who agreed), with 6 disagreeing and 24 remaining neutral.

Based on the table provided, Ethiopian Airlines excels in managing its human and social capital effectively. Out of 200 participants, 27 (13.5%) disagreed with this assertion, while 44 (22%) remained neutral, and 129 (64.5%) showed agreement (either agree or strongly agree). The enhancement of human capital has played a significant role in improving performance. Among the 200 participants, 107 (53.5%) disagreed with this claim, 28 (14%) took a neutral stance, and 65 (32.5%) agreed (either agree or strongly agree). Effective human capital development practices inspire employees to perform efficiently, even in unpredictable and challenging business conditions. In this scenario, 106 respondents (53%) disagreed, 29 (14.5%) were neutral, and 65 (32.5%) expressed agreement (either agree or strongly agree). Ethiopian Airlines has a well-defined system for hiring skilled individuals based on their abilities, competencies, and experience. Of the 200 participants, 30 (15%) disagreed, 15 (7.5%) remained neutral, and 139 (69.5%) indicated agreement (either agree or strongly agree). Lastly, managing human capital improves the talents and skills of employees. In this instance, 106 participants (53%) disagreed, 28 (14%) were neutral, and 66 (33%) agreed (either agree or strongly agree).

A survey of 200 respondents regarding Ethiopian Airlines' approach to innovation revealed significant insights; 55.5% disagreed that the airline is open to innovation, while only 13% agreed. Additionally, 29.5% felt that innovation does not lead to better performance, but 37% believed it does. On the potential of new product innovation to enhance performance, 42% disagreed, while 54.5% agreed. Overall, participants expressed a belief in the benefits of innovation, though 47% disagreed that the airline has effectively introduced improved human resource management systems aimed at enhancing operational efficiency, compared to 29% who agreed.

The independent variable, which refers to strategic intent and vision, has revealed strong positive correlations with all four components as well as the dependent variable. The correlation significance level for organizational performance is 88%, while for the other variables, it falls within the range of 61% to 87%. In contrast, the other components, particularly strategic ownership tendency and human capital, display a correlation confidence level between 79% and

98%, showing a positive correlation with the dependent variables. On the other hand, the independent variable Innovation has shown a weak and negative correlation with the dependent variable, reflected by a confidence level of 89%.

Normality test was conducted and the independent variables, which consist of strategic intent and vision, strategic ownership tendency, human capital management, and innovation, showed the following skewness values: 0.673, -0.254, -0.762, -0.213, and -0.195, respectively. At the same time, the kurtosis values for these independent variables were -0.185, -0.233, 0.699, and 0.822, respectively. The dependent variable presented a skewness of 0.134 and a kurtosis value of 0.569.

While conducting a multicollinearity Test, researcher evaluated the VIF values of the variables in our model and determined that multicollinearity was not an issue. The VIF values for the independent variables—Strategic Intent and Vision, Strategic Ownership Tendency, Human Capital Management, and Innovation—were 1.207, 1.544, 1.419, and 1.042, respectively.

The assumption of homoscedasticity in regression analysis means that the residuals should have similar variances across levels of the predictor variable(s). To evaluate this, plots of ZRESID against ZPRED can be created. When homoscedasticity is present, data points are evenly distributed around the horizontal zero line, indicating uniform variance. In contrast, heteroscedasticity is indicated by a broadening or narrowing of points along the x-axis.

Autocorrelation is defined as the premise that a disturbance in one time period does not affect disturbances in subsequent time periods when observations are conducted over time. The Durbin-Watson statistic is frequently utilized to assess autocorrelation (White, K., 1992). In this analysis, the researcher applied the Durbin-Watson statistic to assess autocorrelation within the data. The resulting value of 2.11, as shown in the table below, lies within the acceptable range for this assessment.

The revised request reveals that 35% of the variations during the observation period are accounted for by changes in the explanatory variables. A hypothesis test was performed utilizing the beta coefficient value. Consequently, strategic leadership demonstrates a positive and statistically significant influence on organizational performance. Specifically, the regression analysis indicates that among the five independent variables, strategic intent and vision, strategic ownership tendency, and innovation exhibit positive and significant relationships with the dependent variable. In contrast, innovation shows a negative and statistically insignificant correlation with the dependent variable throughout the study period.

5.2 CONCLUSIONS

A research analysis was carried out to assess the impact of strategic leadership on organizational performance. To achieve the research objectives and answer the research question, a quantitative methodology, specifically a descriptive-explanatory design, was utilized. The research team collected and examined surveys from decision-makers at Ethiopian Airlines. The findings of the study led to the following conclusions.

- In conclusion, Ethiopian Airlines demonstrates a strong alignment with its vision and mission, clearly reflected in the positive feedback from employees. The engagement of employees in the strategy formulation process indicates a collaborative culture, fostering inclusivity and commitment throughout the organization. The airlines prominence on participant feedback and regular progress evaluation indicates its devotion to constant enhancement and adaptive strategic planning. Furthermore, there are several dissenting voices regarding positive problem-solving, the majority of employees approve the airline's approach undertaking a generally helpful environment for tackling limitation, In general, Ethiopian airlines look well positioned to sustain its strategic goals and enhance its organizational performance.

- To concluded, the result shows a positive response regarding the leadership practices of Ethiopian airlines, thru a substantial majority of respondents articulating agreement with the organization commitment to collaboration, stakeholder engagement, and the development of suitable strategies. Whereas, there is prominent smaller of disagreement and neutrality among respondets, specifically in terms of actively imploring feedback, the total trend advises that Ethiopian Airlines is making strides to build trust with stakeholders and incorporate expert knowledge into its strategic decisions. IT replicates a strong intent by the leadership to nurture a cooperative and translucent environment, aligning with the comforts of both the company and its stakeholders.

- Ultimately, the data designates that Ethiopian Airlines determines a strong ability in handling its human and social capital. While a majority of participants agree with the positive impacts of human capital development on performance and employee efficiency, there is a notable percentage that expresses disagreement on specific claims. The hiring practices of the airline are generally well-regarded, with a significant portion of respondents supporting the idea that skilled individuals are chosen based on their qualifications. However, challenges remain in fully convincing all employees of the benefits of human capital management. Overall, the results suggest room for improvement in communication and strategy to ensure that all employees recognize and support the value of human capital initiatives at Ethiopian Airlines.

According to the beta coefficient results, it can be inferred that strategic intent and vision, strategic ownership tendency, and human capital management all demonstrate a strong positive and statistically significant relationship with the dependent variable, organizational performance. Conversely, innovation shows a statistically insignificant relationship with the dependent variable, organizational performance.

5.3 RECOMMENDATIONS

The study's conclusions and findings lead to the submission of the following recommendations

- ❖ Ethiopian Airlines shall actively invest in fostering a culture of innovation within the organization. This can be achieved by implementing comprehensive awareness programs and training sessions that focus on the significance of innovation in the workplace in the coming five years.
- ❖ Equipping employees with the necessary skills and resources will empower them to think creatively and contribute to the airline's growth with the next five years.
- ❖ Additionally, providing support and resources for innovative employees will encourage their initiatives and enable them to develop and implement their ideas, ultimately benefiting the organization as a whole throughout the process.

5.4 Suggestion for Future Research

The researcher proposes that the conducted study does not align with the established standards for strategic leadership and organizational performance at Ethiopian Airlines. The author did not offer a comprehensive analysis of the negative correlation between variables, as this was not the study's primary objective. Consequently, other similar research endeavors may be more beneficial in addressing the inquiries and needs within this domain. Thus, this topic represents an intriguing opportunity for future researchers to explore the relationship between strategic leadership and organizational performance.

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ANNEX

Addis Ababa University

Post Graduate Programs

Department of Business Administration and Information Systems

QUESTIONNAIRE

Dear Respondents,

I am a Master of Arts student in Business Leadership at the School of Commerce, Addis Ababa University. As part of my academic program, I am conducting a research project titled "The Effect of Strategic Leadership on Organizational Performance: The Case of Ethiopian Airlines." This study is being carried out to fulfilment the requirements for my master's degree. I kindly request your participation by taking a few minutes to complete the attached questionnaire. To ensure confidentiality, please do not write your name or any identifying information on the questionnaire. The information you provide will be used solely for academic purposes and will be handled with the utmost confidentiality.

The goal of this study is to identify the role of strategic leadership at Ethiopian Airlines and contribute to the broader understanding of organizational performance. The questionnaire consists of two parts: the first part gathers general demographic information related to employees, and the second part includes questions about strategic leadership and organizational performance. Your honest and thoughtful responses are critical for the success of this research. Thank you for your participation!

Thank you for your time and cooperation.

Yours sincerely,

Mahlet Debebe

Mahletde@ethiopianairlines.com

Part I: General information

Instruction: Please mark one of the options next to the predetermined alternative question to indicate your response.

1. **Sex**

A Male B. Female

2. **Age**

A. 25 -35 B. 35-45 C. 45-55 D. Above 55

3. **Education Qualification**

A. High school complete B. Diploma C. Degree D. Masters E. PHD

4. Years of service in Ethiopian Airlines Group

A. below 5 years B. 6 to 16 years C. From 17 to 27 years D. From 27 to 37 years E. Above 37 years

5. Position currently holding

A. Team leader **B.** Acting Team Leader C. Manager D Acting Manager

E Director F A/Director

Part II

Questions related to Strategic Leadership

A. Question on Strategic intent and vision articulation

In part two, the Likert scale adopted to answer the respective questions is indicated here.

(1) Strongly Disagree **(2)** Disagree **(3)** Neutral **(4)** Agree **(5)** Strongly Agree

Indicate your reaction to the degree to which you concur with the statement below regarding Ethiopian Airlines Group's strategic leadership.	1	2	3	4	5
1. Ethiopian Airlines has a vision and mission that are widely communicated throughout the organization, reflecting its core activities.					
2. I am confident that the airline employs a thorough process for strategy formulation that actively involves all employees.					
3. Ethiopian Airlines has long-term strategic plans that involve input from all stakeholders and holds regular meetings to monitor and review progress.					
4. Ethiopian Airlines conducts strategic leadership assessments to evaluate the overall business environment.					
5. Ethiopian Airlines solicits proactive problem-solving within the organization					

B. Questions on Strategic ownership tendency

(1) Strongly Disagree **(2)** Disagree **(3)** Neutral **(4)** Agree **(5)** Strongly Agree

Specify your reaction to the degree to which you concur with the statement below regarding Ethiopian Airlines Group's Strategic Leadership.	1	2	3	4	5
1. Management is committed to mutual interest satisfaction and committed in fostering a collaborative environment					
2. Ethiopian Airlines reached out to stakeholders to understand our concerns.					
3. The leadership consistently seeks input and feedback before making decisions, as needed.					
4. I believe Ethiopian Airlines leadership strives to build trust with different types of stakeholders					
5. The leadership utilizes expert knowledge in their quest to develop an appropriate strategy					

C. Questions on Human Capital Development					
(1) Strongly Disagree **(2)** Disagree (**3)** Neutral **(4)** Agree **(5)** Strongly Agree					
Indicate your reaction to the degree to which you concur with the statement below regarding Ethiopian Airlines Group's Strategic Leadership.	1	2	3	4	5
1. The Strong side of Ethiopian Airlines lies in its ability to effectively manage its human and social capital.					
2. The development of human capital has significantly contributed to our performance improvements.					
3. Effective practices in human capital development motivate employees to work efficiently, even in uncertain and turbulent business environments.					
4. Ethiopian Airlines has a clear framework for employing competent individuals based on their skills, competencies, and experience.					
5. The human capital management enhances the talent and skill of the employee					
D. **Questions on Innovation**					
(1) Strongly Disagree **(2)** Disagree **(3)** Neutral **(4)** Agree **(5)** Strongly Agree					
Specify your reaction to the degree to which you concur with the statement below regarding Ethiopian Airlines Group's Strategic Leadership.	1	2	3	4	5
1. Ethiopian Airlines is open for innovation					
2. The more Ethiopian Airlines innovates its products, the better it performs.					
3. Ethiopian Airlines can enhance its performance by innovating new products.					
4. I believe Ethiopian Airlines will benefit from innovative ideas					
5. Ethiopian Airlines is innovative in introducing new and significantly improved human resource management systems for pursuing operational efficiency					
Part II **Questions related to the effect of Strategic Leadership on Organizational Performance**					
A. Questions on Financial performance					
(1) Strongly Disagree **(2)** Disagree **(3)** Neutral **(4)** Agree **(5)** Strongly Agree					
Specify your reaction to the degree to which you concur with the statement that strategic leadership highly contributes to:	1	2	3	4	5

1. Improve sales revenue					
2. Achieving cost savings and cost reduction					
3. Increasing profitability					
4. Increasing asset utilization					
5. Increasing company financial value					
B. Questions on Customer performance					
(1) Strongly Disagree **(2)** Disagree **(3)** Neutral **(4)** Agree **(5)** Strongly Agree					
Specify your reaction to the degree to which you concur with the statement that strategic leadership highly contributes to	1	2	3	4	5
1. Increasing flight punctuality					
2. Increasing customer satisfaction					
3. Increasing customer retention					
4. Increasing digital experience					
5. Enhancing the accessibility and capacity of cargo transportation.					
C. Questions on Internal Business Process					
(1) Strongly Disagree**(2)**Disagree**(3)**Neutral**(4)**Agree **(5)**Strongly Agree					
Specify your reaction to the degree to which you concur with the statement that strategic leadership highly contributes to	1	2	3	4	5
1. Implementation of new processes that reduced production costs					
2. Implementation of new processes that reduced the duration of production					
3. Technology for new service (product) development					
4. Introduction of new technology for new processes					
5. Continuous assessment on the process for operational efficiency					
C. Questions on Learning and Growth performance					
(1) Strongly Disagree **(2)**Disagree **(3)**Neutral **(4)**Agree **(5)**Strongly Agree					
Specify your reaction to the degree to which you concur with the statement that strategic leadership highly contributes to	1	2	3	4	5

1. Increment on employee happiness					
2. Gathering information about new services					
3. Gathering information about customers' needs					
4. Employee health monitoring					
5. Gathering information about the companies’ brand					

ANNEX 2

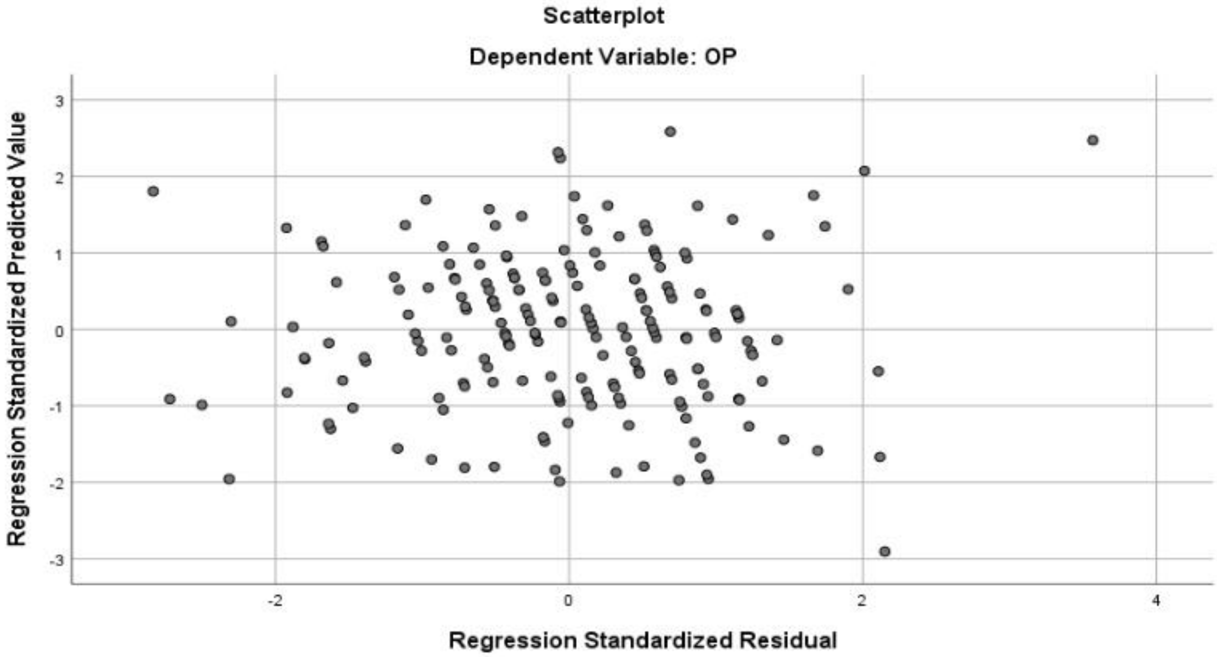
NORMALITY TEST

	N	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
SIVA	200	.41339	.673	.172	-.185	.342
SOT	200	.50658	-.254	.172	-.233	.342
HCM	200	.52530	-.762	.172	.699	.342
in123	200	.42973	-.213	.172	.822	.342
OP	200	.24713	.195	.172	.569	.342
Valid N (listwise)	200					

Multicollinearity

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	SIVA	.828	1.207
	SOT	.648	1.544
	HCM	.704	1.419
	In	.960	1.042
a. Dependent Variable: OP			

Homoscedasticity



Autocorrelation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.188[a]	.754	.456	.24519	2.11
a. Predictors: (Constant), IN, SIVA, HCM, SOT					
b. Dependent Variable: OP					