# ST. MARY'S UNIVERSITY COLLEGE BUSINESS FACULTY DEPARTMENT OF MANAGEMENT

## TRANSFORMATIONAL LEADERSHIP PRACTICES AND CHALLEGES AT PROCUREMENT SERVICE ENTERPRISE

BY

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**JUNE 2011** 

**SMUC** 

**Addis Ababa** 

### TRANSFORMATIONAL LEADERSHIP PRACTICES AND CHALLEGES AT PROCUREMENT SERVICE ENTERPRISE

### A SENIOR ESSAY SUBMITTED TO THE DEPARTMENT OF MANAGEMENT BUSINESS FACULTY

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#### **APPROVED BY THE COMMITTEE OF EXAMINERS**

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#### **ABBREVIATIONS**

**CPC:** Central Procurement Cell

**ERRP:** Emergency Recovery and Reconstruction Project

**PSE:** Procurement Service Enterprise

### CHAPTER ONE INTRODUCTION

#### 1.1. Background of the Study

Many scholars believe that for any organization, the type of leadership is a decisive element among other inputs of organizations to be successful in achieving theirs vision and mission. In this connection, (Schermerhorn etal, 2000) highlighted the crucial role leadership plays in improving the efficiency and effectiveness of an organization when he stated that leadership is the heart of any organization because it determines the success or failure of the organization.

In this regard, the concept of transformational leadership is gaining a high ground in different literature and researches. According to the various scholars in the field, transformational leadership theory is well documented and has been the subject of considerable research (Avolio and Bass, 1988).

There is no universal agreement on the definition of leadership among scholars and researchers. In his review of leadership research, (Stoggill, 1974) asserted that, "there are almost as many different definitions of leadership as there are people who have tried to define it." In support of this viewpoint, (Yukle, 1989) mentioned that, "the term leadership has already been defined in various ways depending on researcher's interest."

Even though the definition of leadership has different meanings in many literatures, taking the central components of leadership (Northouse, 2007) conceptualized leadership as "leadership as a process, leadership involves influence, leadership occurs in group context and leadership involves goal attainment." Based on this conceptualization, he defined leadership as "A process where by an individual influences a group of individuals to achieve a common goal."

Transformational leaders' ability to increase individual and group performance would ultimately put the enterprise on the safe side in this highly competitive business climate of today. Thus, the main aim of the present study is, therefore, to assess the potential role of transformational

leadership in enhancing the efficiency and effectiveness of the enterprise in achieving its mission.

#### 1.2. Background of the Organization

Procurement Service Enterprise, formerly known as Central Procurement Cell (CPC) has started its operations under Emergency Recovery and Reconstruction Project (ERRP) in 1992. The CPC was legally renamed as Procurement Services Enterprise and established as a Public Enterprise in 1998 by the Council of Minister's Regulation No 46/1998.

Procurement Services Enterprise has set its vision "to strive to be a vanguard enterprise witnessed by its performance in providing procurement and other related services to government and private institutions". In order to realize its vision, the enterprise has set its mission "to perform domestic and international procurement services based on the current market information system, to provide better consultancy and training services".

The specialized service of PSE encompass identifying requirements, planning, preparing specifications and bid documents, opening and evaluating bids, contract administration and all dealings in the full procurement cycle. Its ability to successfully execute such types of activities has earned the enterprise a reputation as a leading procurement service provider in the country (PSE Proposal to Ministry of Education).

In spite of its success, there are observable problems on the part of the leadership of the enterprise, which might negatively affect the success of the enterprise in its future endeavors. For instance, the leadership of the enterprise has never tried to inspire and motivate workers of the enterprise by sharing the vision of the enterprise. The kind of relationship prevailing in the institution has a considerable impact up on the success of an organization. Most people believe that good leader-follower relationship is very important to enhance the effectiveness of an organization. Contrary to this reality, leaders of the Procurement Enterprise have been giving less due regard to this most important element, which should exist in every organization. The purpose of this study is therefore, to assess the potential role of transformational leadership in

enhancing the efficiency and effectiveness of the enterprise by achieving its stated mission and vision.

#### 1.3. Statement of the Problem

The need for effective leadership has been given strong voice today than before. "It is argued that in this changing, global environment, leadership holds the answer not only to the success of individuals and organizations, but also to sectors, regions and nations." (Bolden, 2004).

The key characteristics, traits and actions of successful leaders are persons whom others choose to follow, provide vision for the future, provide inspiration, make other people feel important and appreciated, behave ethically, provide opportunities for people to grow, both personally and professionally and care and act with compassion.

Transformational leaders elevate people from low levels of need, focused on survival to higher levels (Yukl, 1989). They may also motivate followers to transcend their own interests for some other collective purpose. It is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents. Despite this reality, the leadership of the Procurement Service Enterprise provides less consideration to the interests, personal lives and problems of workers.

The success of the enterprise may be attributed to its experience in the field and several other factors. Nevertheless, the researcher believed that the enterprise lacked one important element, which is good leader-follower relationship which might ultimately affect the success and effectiveness of the enterprise.

The researcher believed that the leadership of the enterprise has been giving less consideration towards the creation of friendly environment within the enterprise. Apart providing transport service and bonus and salary increment depending up on the profitability of the enterprise, leaders of the enterprise never try to inspire and motivate workers.

It is the belief of the researcher that the future fate of the enterprise should depend on the workers feeling towards their organization. However, the leadership of the enterprise has problem of working in agreement with followers. For instance, it decides up on all matters of the enterprise without the participation of followers. Due to this reason, followers are not self-motivated and they have been giving priority to their own interest than the common goal.

Having shared vision among members, active involvement and participation of members in major activities and decision-making processes in the enterprise are critical for the successful accomplishment of its mission. In strengthening the effectiveness of the enterprise and the continuity of its success, improving the type and quality of leadership in a way that is visionary and transformational will be an important step, which could help ensure the proper functioning of the enterprise. This will enable it to fulfill its mission and realizing its vision in a more effective, competent and sustainable manner. This is the main problem and the central concern of this paper. In particular, the study aims to explore the type of appropriate leadership style, which could solve the problems that the Procurement Service Enterprise might face.

#### 1.4. Research Questions

In relation to the problem of the study mentioned above, the researcher would like to raise the following research questions:

- 1. To what extent the vision; mission and goals of the enterprise have been shared among its key stakeholders?
- 2. What does the practice of leadership role of the leaders of Procurement Service Enterprise look like?
- 3. How do employees react to the leadership styles of the enterprise?
- 4. To what extent do subordinates participate in decision-making process?

#### 1.5. Objectives of the Study

#### 1.5.1. General Objective

1The main objective of this study is to assess the practices and challenges of transformational leadership style at the Procurement Services Enterprise.

#### 1.5.2. Specific Objectives

More specifically, the study has been geared towards attaining the following objectives:

- 1. To examine the extent to which the vision, mission and goals of the enterprise have been shared among its members and other stakeholders.
- 2. To investigate what the leadership role of the leaders look like in the Enterprise
- 3. To investigate the reaction of employees towards the leadership style of the leaders in the enterprise
- 4. To examine the level of participation of members in the decision-making process of the enterprise

#### 1.6. Significance of the Study

It is hoped that the study is very helpful to the company in exploring the importance of transformational leadership, which could accelerate the realization of its vision and mission and to put it on a strong and competitive base to make it very successful in its future endeavors. Moreover, this study may serve as a starting point to other researchers who are interested to make further research in the area.

#### 1.7. Delimitation the Study

The scope of this study is confined to the immediate environment of the enterprise (PSE) while giving less consideration to customers. The scope of the study is delimited at the outset to assess the practices and challenges of transformational leadership at the Procurement Services Enterprise. Even though the enterprise has been giving its current service since 1998, the concern of this study is the time from 2008 until now.

#### 1.8. Definition of Terms

**Leadership:** "Leadership is a process whereby an individual influences a group of individuals to achieve a common goal" (Northouse, 2007). "Leadership is a process that is ultimately concerned with fostering **change.** That is, "Leadership" implies a process where there is movement from wherever we are now to some future place or condition that is different. Leadership also implies **intentionality**, in the sense that the implied change is not random "change for change's sake" but is rather directed toward some future end or condition which is desired or valued. Accordingly, leadership is a purposive process which is inherently **value-based.**" (Astin A. and Astin. H., 2000)

**Transformational Leadership:** "The process of pursuing collective goals through the mutual tapping of leaders and followers motive base toward the achievement of intended change (Burns, 1978)".

**Customer:** a person or an organization that buys something from a shop/store or business.(Oxford Advance Learner's Dictionary, 1997)

**Customer Service:** refers to the ability to provide a service or product in the way that it has been promised. Procurement Services Enterprise being a service provider organization, it has been giving services to two kinds of customers, suppliers and buyers (Harris, 2000).

#### 1.9. Research Design and Methodology

#### 1.9.1. Research Design

The primary purpose of this study is to assess the practice and challenges of transformational leadership styles at the Procurement Services Enterprise. Therefore, descriptive survey type of research was employed in this study for the fact that this type of research is concerned with describing conditions or relationships that exist, practices that prevail; beliefs, point of view, or attitudes that are held; processes that are going on; effects that are felt; or trends that are developing. In short, the major purpose of descriptive research is to describe situations, events or objects as they exist. Thus, the researcher preferred this type of research with the belief that it would help to obtain the necessary data related to the problem under study.

#### 1.9.2. The Study Population and Sample Techniques

The population of this study consists of leaders at all levels and workers of the enterprise, as well as few customers of the enterprise from different institutions. The fact that the total number of people working in the enterprise is so small (51), the researcher has decided to consider the entire population in her study as sample size. Moreover, for the purpose of substantiating the information gained from the workers of the enterprise, the researcher used purposive sampling technique to enable her to choose and pick customers form other institutions who best meet the purpose of the study. For this purpose 5(five) selected individuals from buyer institutions and 5(five) from seller institutions were made part of the study.

#### 1.9.3. Types of Data collected

Primary and secondary sources of data were used in this study in order to obtain substantiated information. The primary sources were be information gained from leaders of the enterprise (both core process owners and support process owners), sub process heads and workers under each sub process heads. Moreover, data was gathered from customer institutions and other important personalities who have direct relation with the enterprise. These categories of people were selected in order to get first hand information about the research problem as they have a direct relation and experience about it. Moreover, secondary sources such as Labor Union Regulations of the enterprise, the Administrative Rules and regulations of the enterprise as well

as the different contracts signed by the enterprise with other institutions were used as sources of data in order to enrich the information to be gained from primary sources.

#### 1.9.4. Methods of Data Gathering

The choice of data collection tools should depend on its appropriateness to the purpose and nature of the research. It is often argued that there is an advantage to using more than one method of data collection since this may provide the opportunity for triangulation of data and variety can in itself stimulate and maintain the interest of participants (Brannen, 1992). Therefore, in this study questionnaire to be distributed to workers of the enterprise and leadership of the enterprise and interview check lists to be administered with customers and selected workers will be used as instruments of data collection.

#### 1.9.5. Data Analysis Methods

To determine the practice and challenges of transformational leadership at the Procurement Service Enterprise descriptive statistics, which involved the collection, presentation, characterization, and summarization of a set of data by means of numerical descriptors was used. Out of the data gathered through the questionnaires and based on information provided by the participants, frequencies, percentages, measures of central tendency and measures of variation was generated.

#### 1.10. Limitation of the Study

Lack of clear understanding of the concept of transformational leadership on the part of the concerned bodies from whom the relevant data were collected was one of the constraints of the study. Another limitation was time constraint as the researcher has been engaged in a job, which requires more time. Moreover, the researcher may encounter respondents who do not want to provide information. Despite these challenges, the researcher has tried her best to collect relevant information through triangulation of data and tried to accomplish the study successfully.

#### 1.11. Organization of the Study

For ease of convenience and understanding the paper is divided into four chapters. The First Chapter is the Introductory section which deals with the Background of the Study, Statement of the Problem, Guiding Research Questions, Objectives of the Study, Significance of the Study, Delimitation of the Study, Definition of Terms, Research Design and Methodology, Limitation of the Study and Organization of the Study. The Second chapter deals with the Review of Related Literature to the concept of transformation leadership. The Third Chapter deals Data Presentation, Analysis and Interpretation. The Final Chapter provides general Summary, Conclusions and Recommendations.

#### **CHAPTER TWO**

#### REVIEW OF RELATED LITERATURE

#### 2.1. Introduction

This part of the paper presents a summarized version of literature review. The review was carried out on various areas that have critical importance to the study under consideration. These include: the definition and concept of leadership, the nature of leadership, factors affecting leadership effectiveness, the relationship between vision, mission and goals of a company with leadership roles, the role of participatory decision-making for the success of a leader, leadership styles, selected leadership theories, features of transformational leadership, and the importance and application of transformational leadership in business settings.

#### 2.2. Definitions, Concepts and Nature of Leadership

#### 2.2.1. Definition of Leadership

Even though the definition of leadership has different meanings in many literatures, taking the central components of leadership (Northouse, 2007) defined it as "a process whereby an individual influences a group of individuals to achieve a common goal." Thus, Leadership is ultimately about creating a way for people to contribute to making something extraordinary happen. It is possible to generalize that leadership is a different thing to different people. Majority of definitions seem to agree that leadership is directed towards organizational goal attainment, involves followers, and requires shared vision and special ability on the part of the leader to influence others so as to make followers exert their efforts to achieve the common goal. Therefore, effective leadership is the ability to successfully integrate and maximize available resources within the internal and external environment for the attainment of organizational or societal goals.

#### 2.2.2. Concepts of Leadership

Although there are multiple definitions and various ways of conceptualizing view of leadership, most scholars agree that leadership is a two-way interaction in which a leader wants to influence the behavior of his or her followers. However, to a large extent, there are big differences, especially between the early concepts and the new perspectives. The early concepts of leadership

were focusing on power relation to preserve the status quo. In support of this view point, (Janda, 1960) asserted that leadership is a specific kind of power relation in which members have the right to stipulate their own behavior patterns.

#### 2.2.3. Nature of Leadership

The issue of leadership has been one of the most favorite areas of discussion and scientific inquiry among a number of scholars, practitioners and common people since a very long time. Despite lots of attention given to leadership among many people, and many theories developed around it, it remains to be one of the most argumentative concepts of management and organizational behavior, which does not have a universally accepted definition. In fact, one can easily discern that the emergence of several theories of leadership with their own distinguishing characteristics is clear evidence of how the definition of leadership has been transforming across time. In relation to this, (Stoggill, 1974) asserted that the number of definitions of leadership varies with the number of people who tried to study it. The existence of such varieties of definitions has been a challenge for researchers and practitioners in defining and conceptualizing leadership. Because of this, researchers have developed various ways of classifying those different views. For instance, (Bass, 1999) as cited in (Northouse, 2007) has tried to classify those different views of leadership provided by different groups from various perspectives. He described leadership as a focus group process from personality perspective, as an act of behavior from power relationship perspective, and as a transformational from the skill perspective. In partial support of this view point, (Burns, 1978) and (Hollander, 1992) considered leadership as a process that involves both leader and followers who are in need of each other.

#### 2.3. Factors Affecting Leadership Effectiveness

The success and effectiveness of a leader depends up on several factors. According to Allio(1999), the following are factors that affect leadership effectiveness:

a. Arrogance:- the most important contributor to leadership failure is pride and arrogance. Leaders invariably fatter when they step over the line between passionate commitment to a great and obsessive monomania or excessive ambition. Autocracy, false, heroism, and excessive egotism all contribute to failure.

- b. **Loss of Focus:** Complacency and Failure to keep an eye on the ball are cardinals in world in which competitors show no mercy and the pace of change is rapid. But even leaders who stick to their knitting can lose if they do not adapt to new challenge.
- c. Lack of character, integrity, ethics and value: providing moral leadership is just as important as providing strategic leadership. counterfeit leaders-those who have assumed positions of authority with out understanding what leaders do how they must behave, and how they must relate to their followers-or abundant. Some people lull followers into euphoria, seduce them into blindly following like lemming over the cliff. In many cases, ironically, the followers must share the blame far the failure of their leaders. Simply watching as the organization deteriorates, abdicating personal responsibility for decisions-these are the symptom of a conspiracy between leader and followers.

### 2.4. The Relationship between Vision, Mission and Goals of a Company with Leadership Roles

(Bart, C. K., & Baetz, M. C., 1998) explained the roles of vision and mission in certain steps. First, mission and vision provide a vehicle for communicating an organization's purpose and values to all key stakeholders. Stakeholders are those key parties who have some influence over the organization or stake in its future. The better employees understand an organization's purpose, through its mission and vision, the better able they will be to understand the strategy and its implementation. Second, mission and vision create a target for strategy development. That is, one criterion of a good strategy in how well it helps the firm achieve its mission and vision. To better understand the relationship among mission, vision, and strategy, it is sometimes helpful to visualize them collectively as a funnel. At the broadest part of the funnel, you find the inputs into the mission statement. Toward the narrower part of the funnel, you find the vision statement, which has distilled down the mission in a way that it can guide the development of the strategy. Third, mission and vision provide a high-level guide, and the strategy provides a specific guide, to the goals and objectives showing success or failure of the strategy and satisfaction of the larger set of objectives stated in the mission. To sum up, mission and vision statements play three critical roles: (1) communicate the purpose of the organization to stakeholders, (2) inform strategy development, and (3) develop the measurable goals and objectives by which to gauge the success of the organization's strategy.

According to (Chris, 1999), defining a vision requires inner work to shift from a self-centered to another-centered attitude, and a successful implementation requires effective leadership. The realization of local communities will ultimately lead to a global society. For a vision to have any real value, it must be implemented, which requires monitoring to evaluate the behavioral changes that result from implementing the vision. When one observes (monitors) and plans to make adjustments based on those observations (target corrections), the best solutions always provide several preplanned actions.

Leadership roles ensure that as many members of the organization as possible buy into the values, mission, and broad organizational goals. Thus, the roles of leadership in the realization of the vision, mission and goals of an organization is very critical. It is for this reason that (Bennis, 2007) defined leadership as a function of knowing yourself, having a vision that is well communicated, building trust among colleagues, and taking effective action to realize your own leadership potential. Similarly, according to (Bryman, 1986) Leadership is the creation of a vision about a desired future state which seeks to enmesh all members of an organization in its net."

The qualities and skills of a leader go far beyond cultivating a friendly personality, or applying the sophisticated methods and principles of management/administration, or practicing the techniques of human relations. A leader's vital function is to visualize and concretize the ethos of values in the work and objectives of the work groups. He has to define and articulate the work goals and purposes in terms of a larger and imaginative vision. He has to impart and sustain a vision in which work excellence, duty, and cooperation of people are seen to be related to his eternal purposes. He should transmute small, selfish, and parochial objectives of individuals into larger social and spiritual goals (Rastogi, 1987).

#### 2.5. The Role of Participatory Decision- Making for the Success of a leader

Participative Decision-Making (PDM) is the extent to which employers allow or encourage employees to share or participate in organizational decision-making (Probst, 2005). According to (Cotton et al.1988), the format of PDM could be formal or informal. In addition, the degree of participation could range from zero to hundred percent (Black & Gregersen, 1997;).

Participative Decision-Making is one of many ways in which an organization can make decisions. The leader must think of the best possible style that will allow the organization to achieve the best results. According to Abraham Maslow, workers need to feel a sense of belonging to an organization in order to try their best for the success of their organization. The basic concept involves any power-sharing arrangement in which workplace influence is shared among individuals who are otherwise hierarchical unequal and such power-sharing arrangements may entail various employee involvement schemes resulting in co-determination of working conditions, problem solving, and decision-making" (Locke E.A. and Schweiger D.M., 1979).

The primary aim of PDM is for the organization to benefit from the "perceived motivational effects of increased employee involvement". PDM is most effective where a large number of stakeholders are involved and all from different walks of life, coming together to make a decision which benefits everyone. Some such examples are decisions for the environment, health care, anti-animal cruelty and other similar situations. In this case, everyone can be involved, from experts, NGOs, government agencies, to volunteers and members of public (Probst, 2005).

Organizations benefit from the perceived motivational influences of employees in PDM. When employees participate in the decision making process, they improve understanding and perceptions among colleagues and superiors, and enhance personnel value in the organization (Ibid).

In a participative decision making process each team member has an opportunity to share their perspectives, voice their ideas and tap their skills to improve team effectiveness. As each member can relate to the team decisions, there is a better chance of their achieving the results. There is a positive relationship between decision effectiveness and organizational performance. The implementation of PDM techniques has been shown to have a wide array of organizational benefits. Researchers have found that PDM may positively impact the following job satisfaction, organizational commitment, perceived organizational support, organizational citizenship behavior, labor-management relations, job performance and organizational performance, task productivity, organizational profits(Cotton et al., 1988)

#### 2.6. Leadership Styles

Leadership style is the way in which functions of leadership are carried out, the way in which the manager typically behaves to wards members of the group. There are many dimensions to leadership and many possible ways of describing leadership style, such as for example dictatorial, unitary, bureaucratic, benevolent, charismatic, consultative participative and abdicator (John and Keith, 1993).

#### 2.6.1. Autocratic Leadership Style

Management may not be the worlds 'oldest profession', but the autocratic leadership style is probably the original type of management style ever employed. Simple at heart, the autocratic style of management involves making the decisions yourself and passing them onto subordinates. In the autocratic world, leaders are there to make the decision, and followers are there to follow. This promotes an 'obedient' style of follower present in the army, and perhaps some of the 'tougher' working cultures such as farming, logging, haulage and fishing. This isn't to say that an autocratic leader would fail miserably in, say, customer service. However, the more that workers are left to do imaginative or creative tasks largely on their own, the less likely an autocratic leadership style would really 'bring the best' out of the average worker (Tomova, 2011).

#### 2.6.2. Participative Leadership Style

Here leader and one or two employees are involved in decision-making process. Decision making process includes how to accomplish a given task. People think if a company is using this style then it is an indication of weakness. On the contrary using this style is an indication of strength. This style is used when you (leader) have incomplete information and the employees have accurate and complete information (Ibid). That is why companies using this style employ highly skilled and knowledgeable employees.

#### 2.6.3. Laissez-Faire Leadership Style

Laissez-Faire Leadership Style is where the manager observes that members of the group are working well on their own. The manager consciously makes a decision to pass the focus of power to members, to allow them freedom of action and not to interface, but is readily available

if help in needed. There is often confusion over this style of leadership behavior. The word genuine is emphasized because this is to be contrasted with the manager who could not care, who deliberately keeps away from the trouble spots and does not want to get involved. The manager just lets members of the group get on with the work in hand. Members are left to face decisions which rightly belong with the manager. This is more a non style leadership or it could perhaps be labeled as abdication (Mullins, 1996).

#### 2.6.4. Bureaucratic Leadership Style

Here the leaders work by taking the help of a book. The book contains all the rules and regulations that must be followed by and employee working in a company. This style is appropriate and you (leader) should use this style if the employee work involves serious safely risks. If the employee is working with toxic substances or with machinery then are rules that must be followed by the employee. (Ibid)

#### 2.6.5. Democratic Leadership Style

In this kind of leadership the focus of power is more with the group as a whole and there is a greater interaction within the group. The leadership functions are shared with members of the group and the manager is more part of in a team. The group members have a greater say in decision making, determination of policy implementation of systems procedures (Hick, 2007).

#### 2.6.6. Charismatic Leadership Style

Here the leader tries to inject doses of enthusiasm into the employees in order to increase their performance level. The leader using charismatic style should be energetic and enthusiastic. It is interesting to watch a Charismatic Leader 'working the room' as they move from person to person. They pay much attention to the person they are talking to at any one moment, making that person feel like they are, for that time, the most important person in the world. Charismatic Leaders pay a great deal of attention in scanning and reading their environment, and are good at picking up the moods and concerns of both individuals and larger audiences. They then will hone their actions and words to suit the situation (Musser, 1987).

#### 2.7. Employees Reaction towards Different kinds of Leadership Styles

The autocratic leadership: this style is characterized by the decision-making process, which is completely unilateral: decisions are being made by the person of the leader (e.g. boss). Here the leader informs the employees that what they should do and how should they accomplish the task. Here the leader does not take the advice of the employees while giving orders (Wanjiru, 2008).

The autocratic style of leadership has the advantage that the leader can make quick decisions, especially in situations when there is no time to involve subordinates into the decision making process. The autocratic leadership discourages subordinates to make own suggestions or to come up with own ideas to solve problems, as these kind of initiatives are not tolerated most of the time. Due to the fact that this leadership style is not popular amongst the staff it will cause the best people to leave the company (high turnover rate) and the rest of the staff to show general resistance towards the autocratic leadership style (Zine, 2004).

Laissez-Faire: Laissez-Faire literally means 'leave alone to act freely'. It's the complete opposite to the autocratic style, and you'd expect as a result to find leaders in completely different industries. Autocracy doesn't apply well to creative industries, so as you would expect, fashion designers, film directors and photographers are given plenty of 'room' by their managers to do their day-to-day work, but the laissez faire leadership style isn't just great for creative industries, it's also useful in the professional jobs that is for lawyers, doctors, accountants, surveyors, architects and also teachers. These are individuals whom have spent upwards of 3 years in a training contract and have emerged into either a well paid or respected job. As a result, they expect a certain degree of 'laissez faire' from management in the way they work. In other words, they expect to be entrusted with plenty of responsibility and be left to discharge their professional duties with less supervision (Tomova, 2011)

The democratic leadership style: is probably the most popular leadership style in the 21<sup>st</sup> century management arena. It's a style that remains popular due to the positive reaction employees have towards it. If you lean towards the democratic leadership style, this means that you seek to consult your employees or team members over decisions that will affect them. Naturally, followers prefer this strategy for several reasons. Either their self-interest attracts them

towards managers that allow them to make the choices that benefit them, or it's the euphoric confidence bounce they experience when they're allowed to make decisions that were previously 'above' them( Tomova, 2011).

However, be warned. The democratic leadership style isn't perfect in every occasion. Democratic decisions aren't perfect, in the sense that they take longer to make. When one only has to consult oneself, a decision can be made almost instantaneously. In a war-time, life-threatening or high-risk situation, 'democratic' debate simply isn't relevant. It simply isn't optimal. Examples of these high pressure decision-making jobs include surgeons, army generals, fire-marshals and air traffic controllers (Ibid).

Participative leadership style: The leaders invite and encourage the team members to play an important role in decision-making process, though the ultimate decision-making power rests with the leader. The leader guides the employees on what to perform and how to perform, while the employees communicate to the leader their experience and the suggestions if any. The advantages of this leadership style are that it leads to satisfied, motivated and more skilled employees. It leads to an optimistic work environment and also encourages creativity. This leadership style has the only drawback that it is time-consuming (Lewin etal., 1939).

#### 2.8. Leadership Theories

The purpose of this section is not to evaluate each leadership theories, rather it is to demonstrate how leadership theories have been evolved and studied across time. More specifically it is intended to show the development of transformational leadership in business context. In this regard, an attempt was made to review the four major leadership theories, such as the trait, the behavioral, situational and transformational leadership theories.

#### 2.8.1. The Trait Theory

The trait approach arose from "Great Man" theory, which attempted to explain leadership as something, which is inherent from heredity (Jennings, 1960). Researchers focusing on great man theory had suggested that a person who copied the personalities and behaviors of great men or leaders would become a strong leader (Borgatta, Rouch and Bales, 1954)

The researches of this time were focused on determining what traits differentiate leaders from followers (Bass, 1990; Stogdill, 1974). For instance, (Stogdill, 1974) has tried to find out some personal factors, which would enable someone to become a leader. However, he concluded that the mare possession of one or combination of traits would not be a guaranty for becoming a leader. To substantiate this viewpoint, (Bass, 1998) argued that one who emerges out to be an effective and successful leader is due to traits of consequence in the situation, some is due to situational effects, and some is due to the interaction of traits and situations.

#### 2.8.2. Behavioral Theory

Researches conducted for more than fifty years were unable to come up with single personality trait that exactly predicts leadership (Jennings, 1960). Therefore, another approach in the study of leadership was developed. In this regarded, the two higher institutions which conducted original study and which had a paramount influence in the field during the 1950s were the Ohio State University and the University of Michigan (Bass, 1990).

The focus of the behavioral theory was the believe that the behavior of the leader will develop some kind of behavior on the part of followers, which would enable him either to strengthen or abandon his later behavior by interpreting his original actions (Davis and Luthans, 1979). The main emphasis of these researchers was to study the activities of leaders on their job to identify behaviors that reflect effective versus ineffective leadership. The behavioral theory has relatively advanced the leadership theory from the traits approach, which based its focus on heredity to giving emphases to what leaders do.

#### Ohio State Leadership Studies

The research study began in 1945 to understand the actions manifested by individuals while leading an organization. It was studied by developing questionnaire called the Leadership Behavior Description Questionnaire (LBOD). After conducting the survey research with this questionnaire by which they made subordinates to evaluate their leaders, these researchers identified two types of leader behaviors called consideration and initiating structure. Leaders who tend to give more emphasis to people than tasks or goals of the organization are exercising

consideration leadership behavior while those who give more emphasis to the defining goals and tasks to people are exercising task structure behavior.

#### The University of Michigan Studies

The University of Michigan researchers were also exploring the leadership behavior giving special attention to the impact of leaders" behavior on performance of small groups (Katz and Kahn, 1951; Likert, 1967 as cited in Northouse, 2007). Studies of the University of Michigan compared the behavior of effective and ineffective supervisors (Likert, 1967). The result of their study reveals two main kinds of leader behaviors, employee centered and production centered (Hersey & Blanchard, 1988).

Despite the various researches conducted by many researchers, and their contribution to the development of leadership studies, the outcome obtained from literature was contradictory and unclear (Yukl, 1994).

#### 2.8.3. Situational (Contingency) Theory

The focus of this model was that leaders' effectiveness would be determined by the situation. In this regard, leaders should adapt to the situation and modify their leadership style to be most effective.

The theories of the period adopted by different researchers related with situational theory were: (a) the contingency theory (Fiedler, 1967), which emphasized on the need to place leaders in situation most suited to them, and (b) the Path Goal Theory which addressed a different contingency focused lesson situations. The Normative model differed from these related theories because it focuses on the leader appropriate decision making behavior depending on the situation and the need for decision acceptance and /or quality (Vroom and Yetton, 1973).

Even though researches conducted on situational /contingency/ theories have contributed positively and have developed the field of leadership, they have also their own weaknesses. The main shortcoming of this theory is its inadequate due regard about how followers perceive themselves and their work (Ibid).

The theories discussed above were focusing mainly on the leader. In contrast to this argument, a new approach of research, which focuses on the leader and follower relationship, has emerged, known as transformational leadership. Transformational leadership theory shifted the focus of attention to the effective reaction of followers to their leader. In this regard, many research reports have been produced by studying transformational leadership. One of the main reasons for the increasing interest in the study of transformational leadership was lack of appropriate leadership behavior from the previous theories of leadership.

#### 2.8.4. Transformational Theory

It was after the works of (Burns 1978) that a systematic inquiry about transformational and transactional leadership in various work organizations had started (Yukl, 2002). Since transformational leadership encompasses several features of the new theories, it has become the main representative of these theories for the past two decades (Diver etal, 2002.)

(Burns, 1978) defined transformational leaders as "people who tap the motives of followers in order to better reach the goals of leaders and followers". He also explained the difference between transactional and transformational leadership in such a way that transactional leadership involves an exchange of meeting lower level needs, and that transformational leadership engages people.

Transformational leadership enables innovative change through inspiration and empowerment. These leaders are generally either almost awes inspiring in how they stimulate confidence or they are charismatic and people simply want to please them. Innovation identifies new ways to solve existing problems and meet project requirements. Innovative organizations encourage experimentation and reward both success and failure. Transformational leaders are innovative in themselves and they inspire this in others and value it in a team. This leadership style is can change dynamically with the other changes connected to e-commerce and Internet business. It often involves new technologies. Transformational leaders stay abreast of change involving their organization, the market or their product (Burns, 1978).

(Bass, 1990) on his part argues that transformational leadership occurs when leaders broaden and elevate the interest of their employees, create awareness and acceptance of the purpose and mission of the group, stir employee to look beyond their own self-interest for the good of the group. He further argues that transformational leadership involves focusing on the interest of employees, creating awareness of the purpose and mission of the group.

However, (Bass, 1985) extended Burn's concept of the two theories when he stated the existence of an augmentation relationship between them. He stated that the contingent reward factor of transactional leadership creates plain ground for effective transformational leadership

#### 2.9. Components of Transformational Theory

Transformational leadership as a new paradigm in the field of leadership has its own unique features which makes it different from other leadership theories. (Bass and Riggo 2007) describe transformational leadership as a process in which the leader sets a clear vision and goals through active participation of followers, inspires followers to dedicate themselves to the realization of vision and attainment goals, builds their capacity to be creative and innovative, and encourages and supports them to be reasonable risk-takers and problem-solvers. Similarly, (Kuhnert. 1994) asserted that the internal values and ideas of transformational leaders have the power of inspiring followers to work for the common good rather than their own interest.

Studies indicate that transformational leaders accomplish their leadership task by employing the four behavioral components (Bass, 1985, 1990; Bass & Avolio, 1994; Northouse, 2007). These behavioral components are idealized influence, intellectual stimulation, inspirational motivation and individual consideration.

#### 2.9.1. Idealized Influence

Idealized Influence refers to the leader's capacity of demonstrating trust and respect for his followers through which he gains admiration, respect and trust from his followers as well as their commitment for the realization of the vision of the organization. Most often than not transformational leaders happen to be risk-takers and serve as role models who are highly respected and emulated by the followers (Northouse, 2007).

#### 2.9.2. Inspirational Motivation

This dimension of the transformational leadership reflects the situation, in which leaders communicates well with their followers, inspires and motivates them so that they commit themselves to the mission of their organization (Northouse, 2007).

#### 2.9.3. Intellectual Motivation

This is the description of leaders' behavior to stimulate and inspire subordinates" ideas, attitudes, and values. Leaders with the act of intellectual stimulation help their followers think out-of-box; encourage them to challenge their own beliefs, assumptions and values; develop their capacity; and to solve their own and organizational problems efficiently and effectively (Bass and Avolio, 1999).

#### 2.9.4. Individual Consideration

This component of transformational leadership refers to the behavior demonstrated by leaders in understanding the problems, interests and concern as well as development needs of their followers. It is also about elevating those needs to develop followers to higher levels of actualizing their maximum potential. Moreover, such leaders develop organizational cultures, support growth and development, risk-taking and innovation (Howell and Avolio, 1973). These transformational leadership factors are believed to result in heightened emotions and in return inspire followers to work to extra effort toward goal accomplishment.

These dimensions of transformational leadership cannot be effective if they are applied independently; rather, they should be mutually support each other and go hand in hand to bring about satisfactory results. In support of this statement, (Gellis, 2001) argued that the core dimensions of transformational leadership could bring performance beyond expectation when they are interconnected each other and when one adds value to the other. Similarly, (Jung, Chow and Wu 2003) asserted that leaders who exhibit these behaviors of transformational leadership in an integrated fashion can reshape the values and norms of their followers, promote both individual and organizational change and perform beyond what thy expect initially.

Transformational leaders are visionary who could actually implement the above mentioned dimensions by motivating and inspiring their followers which would ultimately help them to make their organization successful. When explaining about the important of vision, (Northouse, 2007) stated that vision is central to transformational leadership, which throws light to the leader and the organization the direction to where the organization is heading.

Although different literatures magnify the role of transformational leadership in military, political and industrial organizational environments (Bass, 1985; Bass & Riggo, 2006), more recent research reports have demonstrated that transformational leadership is also important and can be applied in all sectors (Avolio & Yammarino, 2002). This implies that transformational leadership could be appropriate and effective in educational context as well.

#### 2.10. Transformational Leadership in Business Context

While the origin of leadership ability is a hotly debated topic, researchers are coming to a consensus on the type of leaders who are successful. Transformational leaders motivate people to go above and beyond what is asked of them. They challenge existing structure and lead organizations to a future that is quite often different from the past. Words like "visionary" and "inspiring" are often used to describe transformational leaders. Research shows that leadership effectiveness of transformational leaders is greater in today's business world. Transformational leaders take employees and an organization as a whole to the next level. They motivate others to participate in the transformation. Transformational leaders are made up of a combination of intrinsic attributes like charisma and drive, and social skills that are honed through life experiences (Robertson, 2006).

The very behaviors and ways of thinking that enable a business to get started may in time limit the Company's growth and ultimately lead to its demise. A strong, task focused behavioral style, where the founder has a conviction that he or she is right and brushes aside the doubters, is invaluable in getting a business started. However, if the founder is not able to flex their style and recognize and nurture the talents of other people in the business then the potential success of the

business is compromised. The founders will find themselves tied to working in the business rather than on it (Robertson, 2006).

Transformational Leadership emphasizes on behaviors that inspire and nurture others. It is a model of Leadership that meets both the challenges of a rapidly changing environment and the need to emotionally engage everyone within the organization. Transformational Leadership is about a range of behaviors that include developing and sharing an inspiring vision of the organization's future, behaving in ways that bring out the best in individuals and teams, showing genuine concern and respect for others, continuously investing in the development of themselves and others, developing a culture of collaboration rather than command and control where change is welcomed as an opportunity rather than a threat and recognizing that leadership needs to be demonstrated at times by everyone in the organization (Banger, 2005)

Transformational Leadership skills are essential for Owner/Directors to grow their business beyond the initial phase and flourish in the long term. The challenge is to get Owner/Directors to recognize that investing in them is likely to have an even greater impact on the success of the Company than many of the more traditional investments in manufacturing or marketing (Ibid).

Business needs leadership. Business in a changing world needs transformational leadership. Transformational leadership occurs when one or more persons engage with others in such a way that *leaders and followers raise one another* to higher levels of motivation and morality. Burns insists that for leaders to have the greatest impact on those they lead, they must motivate followers to action by appealing to shared values, and by satisfying the higher-order needs of the led, such as their aspirations and expectations (Kotter, 2011).

#### **CHAPTER THREE**

#### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter is concerned with data presentation analysis and interpretation. Questionnaires were prepared and distributed to the workers of the enterprise. Moreover, interview questions were prepared to be discussed with leaders of the enterprise and customers of the enterprise.

Since the researcher decided to use all members of the enterprise (51 people) as her study population, questionnaires were distributed to 43 current employees of the enterprise.

The researcher was unable to collect all distributed questionnaire to the workers of the enterprise. This is because some of the workers have left the enterprise after the questionnaires were distributed and because some workers were not voluntary to fill the questionnaire. Thus, out of 43 distributed questionnaires the researcher collected 35 questionnaires filled by workers.

Interview questions were prepared to be discussed with 8 leaders of the enterprise and 10 customers of the enterprise of which 5 were from buyer institutions and the remaining 5 were from seller institutions. However, out of the proposed 10 representatives of customers, interview was conducted with only 6 persons.

#### 3.1. Characteristics of the Study Population

**Table 1: Characteristics of the Respondents** 

No.	Items	Re	Respondents		
INU.		In Number	In Percentage (%)		
1.	Sex:				
	a. Male	22	62.85		
	b. Female	13	37.14		
	Total	35	100		
2.	Age:				
	a. 18-29	5	14.29		
	b. 30-39	10	28.57		
	c.40-49	12	34.28		
	d. 50 and above	8	22.86		
	Total	35	100		
3.	Education:				
	a. Below Diploma	7	20.00		
	b. Diploma	11	31.42		
	c. BA/BSC Degree	14	40.00		
	d. MA/MSC	3	8.57		
	e. Others				
	Total	35	100		
4.	Work Experience:				
	a. 1-5 years	6	17.14		
	b. 6-10 years	5	14.29		
	c. 11-15 years	5	14.29		
	d. 16-20 years	9	25.71		
	e. Above 20 years	10	28.57		
	Total	35	100		

As shown in the table 1 above, responding sex distributions, 22(62.85%) account for male which show the majority of the respondent is male. On the other hand, 5(14.29%) of the respondents are between the ages of 18-29; followed by 10(28.57%) of respondents between the ages of 30-39. Moreover, 12(34.28%) of the respondents are between age 40-49 and 8(22.86%) are above 50 years old.

The third item of table 1 indicates out of 35 respondents 7(20%) are below diploma, 11(31.42%) are diploma holders, 14(40%) are 1<sup>st</sup> degree holders and the holders the remaining 3(8.57%) account for MA/MSC. It is interesting to see that the majority of the employees are graduates. This contributes to the efficient, effective and productive performance of the enterprise.

With regard to the work experience of the respondents in Procurement Service Enterprise, the data indicate that most of the respondents 10(28.57%) have above 20 years, 6(17.14%) have 1-5 years experience, 5(14.28%) have 6-10 years of experience and 5(14.28)% of them have 11-15 years experience, and the rest 9(25.71%) have 16-20 years of experience. This shows that most of the employees who are working in the enterprise have above 15 years of experience.

# 3.2. Workers' understanding of the vision, Mission and Goals of the Enterprise

Many Scholars producing materials on the field of leadership agree that transformational leaders have unique capacity in motivating followers in order to better reach the goals of both leaders and followers (Burns, 1978). Leaders who motivate and inspire their followers through the vision and mission of their organization have been better performing than others who do not.

The clear understanding of the vision and mission of their organization on the part of workers has much to do with the success and failure of the organization in which they are working. When workers are aware of the vision and mission of their organization, they will be positively influenced so that they will work hard and make unreserved effort for the successful goal attainment of their organization. Thus, leaders have to use the vision and mission of their organization as an important instrument of enhancing their followers dedication for work which would ultimately enable achieve the organization's vision and mission.

In order to realize the efforts of leaders in helping the workers to understanding the vision and mission of the Procurement Service Enterprise, the researcher has raised some issues which are one way or another have to do with the vision and mission of the enterprise. The result is indicated in Table 2 to 4 as follows:

Table 2: Workers' Level of Awareness about the Vision of the Enterprise

No.	Items	Respondents				
NO.	items	In Number	In Percentage (%)			
1.	To what extent the leaders of the enterprise try to excite workers					
	with visions of what they may be able to accomplish it if they					
	work together to change their practice?					
	a. To a very great extent	10	28.57			
	b. To great extent	15	42.85			
	c. Undecided	2	5.71			
	d. To some extent	8	22.85			
	e. To less extent					
	Total	35	100			
2.	The leaders are helping workers in clarifying the meaning of the					
	enterprise's vision in terms of its practical implications.					
	a. Strongly agree	12	34.28			
	b. Agree	11	31.42			
	c. Undecided	7	20			
	d. Disagree	5	14.28			
	e. Strongly disagree					
	Total	35	100			
3.	Are leaders assisting workers in understanding the relationship					
	between external initiatives for change and the enterprise's					
	vision?					
	a. Yes	20	57.14			
	b. No	15	42.86			
	Total	35	100			
4.	If your <b>answer</b> is "yes" explain its extent					
	a. To a very great extent	10	50			
	b. To great extent	9	45			
	c. Undecided					
	d. To some extent	1	05			
	e. To less extent					
	Total	35	100			

As shown above in table 2 (question number 1), workers of the enterprise were asked to what extent their leaders were trying to excite workers with the vision of the enterprise so as to encourage them to work together for the attainment of the vision of the enterprise. Accordingly, 42.85% of the workers of the

enterprise (respondents) agree that the leaders of the Procurement Service Enterprise have been exciting their workers with the vision of the enterprise to a great extent. 28.57% of the respondents agree that their leaders have been exciting them to a very great extent. On the other hand, 22.85% of the respondents agree that their leaders have been very exciting them with the vision of the enterprise to some extent. However, 5.71% of the respondents are unable to decide their leader's effort regarding the issue under discussion. Generally, it is possible to conclude that the leaders of the Procurement Service Enterprise have better performance in exciting their followers through the use of the vision of the enterprise. If we add the percentage of respondents who agreed to a very great extent and great extent, it will make up 71.42%. This shows that, the leaders have good effort in enhancing their worker's understanding of the vision of the enterprise.

Regarding the leaders effort in clarifying the meaning of the enterprise's vision (Item No. 2), 34.28% of the respondents have expressed their strong agreement. Moreover, 31.42% of the respondents have provided their agreement. On the other hand, 20% of the respondents are unable to decide. 14.28% of the respondents expressed their disagreement. When we make a comparison between percentages of agreements and disagreement as well as the undecided, we can conclude that 65.70% of the respondents have agreed with the issue under discussion.

As shown under (item no.3), 57.14% of the respondents believe that leaders of the enterprise have been assisting their followers to understand the relationship between external initiatives for change and the enterprise's vision while 42.86% of the respondents express their disagreement. Even though the majority of the respondents are in favor of the leaders' effort, those who do not agree with the issue are also significant which indicates the existence of limitations.

The fact that item number 4 is part of (item no. 3), 20 (100%) of the respondents express their agreement. When we look the extent of their agreement, 50% of them agree to a very great extent and 45% of the respondents agree to a great extent. Summing up the two, 99% of the respondents have expressed their agreement in general while only 5% of the respondents agree to some extent. This shows the positive move of the enterprise concerned the issue under discussion.

Table 3: Leaders' Effort in communicating the mission and vision of the Enterprise and acknowledging the compatibility of workers' and Enterprise's goals

No.	Items	Respondents				
NO.	items	In Number	In Percentage (%)			
1.	To what extent leaders are using all available opportunities to					
	communicate the mission and vision of the enterprise to workers					
	and other stakeholders?					
	a. To a very great extent	14	40.00			
	b. To great extent	11	31.42			
	c. Undecided	5	14.29			
	d. To some extent	5	14.29			
	e. To less extent					
	Total	35	100			
2.	How do you express the efforts of leaders in assisting workers in					
	developing consistency between the vision of the enterpriser and					
	both group and individual goals?					
	a. Excellent	4	11.42			
	b. Very good	10	28.57			
	c. Good	13	37.14			
	d. Fair	5	14.28			
	e. Poor	3	8.57			
	Total	35	100			
3.	Do you agree that the leaders clearly acknowledge the compatibility					
	of workers' and enterprise's goals when such is the case?					
	a. Yes					
	b. No	22	62.86			
		13	37.14			
	Total	35	100			
4.	If your answer is "yes", express the extent of your agreement					
	a. Strongly agree	12	54.55			
	b. Agree	10	45.45			
	c. Undecided					
	d. Disagree					
	e. Strongly disagree					
	Total	22	100			

Regarding the efforts of leaders in communicating the mission and vision of the enterprise to workers and other stakeholders Table 3(Item No.1), 40% of the respondents express their agreement to a very great extent and 31.42% of the respondents express their great agreement. 14.29% of the respondents agree to some extent. On the other hand, 14.29% of the respondents are unable to express their agreement. Based on the data it is possible to conclude that the majority (71.42%) of the respondents have agreed with the issue raised under the question.

Concerning the efforts of leaders in assisting workers in developing consistency between the vision of the enterprise and the goals of both individuals and the organization, (Item no.2) 11.42% of the respondents believe that the leaders' effort is excellent. 28.57% of the respondents agree that leaders are making very good effort. 37.14% of the respondents rated the efforts of leaders as good. While 14.28% of the respondents considered their leaders' effort as fair, 8.57% of the respondents disagree with the ideas of the rest. Considering the percentage of respondents who favor the good, very good and excellent (77.13%), it is possible to say that leaders of the enterprise are performing well regarding the issue raised under the question.

As shown under (Item no.3), 62.86% of the respondents agree that the leaders of the enterprise have been clearly acknowledge the compatibility of the goals of workers and the enterprise while 37.14% of the respondents disagree. This indicates that even if the majority of the respondents express their agreement, the vote of those respondents who express their disagreement is significant which indicates the existence of some gap.

As shown in the table (Item no. 4), out of the respondents who express their agreement to item no. 3, out of the 22(100%), who agreed with the issue, 54.55% of the respondents express their strong agreement with the idea raised by the question. Moreover, 45.45% of the respondents expressed their agreement. This indicates that the majority of respondents have strong agreement with the issue under discussion.

Table 4: Leaders' Attention to the achievement of individual workers

No.	Items	Respondents				
NO.	Items	In Number	In Percentage (%)			
1.	How much leaders are trying to help workers achieve their					
	individual and the goals of the enterprise?					
	a. Very high	6	17.14			
	b. High	14	40			
	c. Average	10	28.57			
	d. Low	5	14.28			
	e. Very Low					
	Total	35	100			
2.	Do leaders use every opportunity to focus attention on, and					
	to publicly communicate, the enterprise's vision and goals?					
	a. Yes	19	54.3			
	b. No	16	45.7			
	Total	35	100			
3.	If your answer is "yes" explain its extent.					
	a. a very great extent	10	52.63			
	b. To a great extent	6	31.58			
	c. Undecided					
	d. To some extent	3	15.79			
	e. To less extent					
	Total	19	100			

Helping workers to achieve their individual goals is very important for the achievement of the goals of an organization. That is, when individuals achieve their individual goals, they will be motivated to work hard which in turn contributes its share in the goal achievement of their organization. In this regard, workers were asked how much their leaders have been helping them in achieving their individual goals (Item no. 1). Accordingly, 17.14% of the respondents believe that the support of leaders is very high. 40% of the respondents agree that the support is high. On the other hand, 28.57% of the respondents rated the support as average while 14.28% of the respondents believe that their leaders' contribution regarding the issue under discussion is low. Generally more than half of the respondents believe that the support of leaders is important.

The focus of leaders in communicating the enterprise's vision and goals has much to do with the motivation of worker and the success of the enterprise. As shown in the table (under item no. 2), 54.3% of the respondents have agreed while 45.7% of the respondents disagree. Item no.3 being part of (item no.2), those who provided their agreement 19(100%) were asked the extent of their agreement. Accordingly, 52.63% of the respondents agree to a very great extent, 31.58% of the respondents agree to a great extent. On the other hand, 15.79% of the respondents agree to some extent regarding the issue under discussion. Generally speaking, even though the majority of respondents believe that leaders of the enterprise are mostly trying to communicate the vision and goals of the enterprise, the number of respondents who do not agree is very significant 16(45.7%).

#### 3.3. The Leaders' Practice of Exhibiting Leadership Role

Table 5: Characteristics of Leaders of the PSE & their Personal Attention to Workers

No.	Items	Respondents				
110.	Items	In Number	In Percentage (%)			
1.	How much leaders of the enterprise follow open door policy and					
	manifest approachable, accessible and welcoming character?					
	a. To a very great extent	9	25.71			
	b. To a great extent	14	40.00			
	c. Undecided	5	14.3			
	d. To some extent	7	20.0			
	e. To less extent					
	Total	35	100			
2.	Do leaders give personal attention to workers who seem					
	neglected by others? Or are they thoughtful about the personal					
	needs of such workers?					
	a. Yes	20	57.14			
	b. No	15	42.86			
	Total	35	100			
3.	If your answer is yes, explain its extent					
	a. a very great extent	10	50			
	b. To a great extent	8	40			
	c. Undecided					
	d. To some extent	2	10			
	e. To less extent					
	Total	35	100			

The role of leaders in enhancing the good relationship between workers and leaders and its importance for the successful accomplishment of tasks is undeniable. In relation to this, respondents were asked how much leaders of the enterprise follow open door policy and manifest approachable, accessible and welcoming character. Accordingly (item no. 1), 25.71% of the respondents agree to a very great extent. 40% of the respondents have expressed their agreement to a great extent while 20% of the respondents agree to some extent. However, 14.3% of the respondents are unable to express their agreement. When the votes of the respondents who agree with the issue under discussion to a very great extent and to a great extent, it is possible to conclude that the majority of the respondents (65.71%) are in favor of their leaders' character.

The above idea information was substantiated by the ideas of the leaders of the enterprise. Having a formal procedure in an organization in which the employees present their request, grievance, suggestions and comments is very important in properly addressing the interests and needs of workers, creating a conducive work environment and ultimately to enhance the productivity of the organization. Leaders of the Procurement Service Enterprise were asked whether they have created such an environment or not. Accordingly the majority of the leaders explained that they have prepared a formal procedure. However, few of the leaders disagreed.

Regarding the way how subordinates forward their request to their leaders, most of the leaders expressed that workers have been presenting their case by appearing physically for discussion, through telephone call and by writing letters to their immediate bosses. However, some of the leaders explained that their workers have been forwarding their claim by immersing letters into suggestion boxes.

In many organizations, some workers are neglected by others. Well qualified leaders have a unique capacity in giving personal attention to such workers by realizing their personal needs. Such role of leaders is very important in reshaping the behaviors of such workers so as to make them a productive member of the working group. As shown in table 5, (under item no. 2), 57.14% of the respondents agree with the positive characters of leaders. On the other hand, 42.86% of the respondents disagree with the proposition of the majority. The extent of respondents' agreement to the idea explained by item no. 3 shows that, 50% of the respondents agree to a very great extent. 40% of the respondents agree to a great extent and 10% of the respondents agree to some extent. Therefore, it is possible to conclude that the majority of respondents in the category have good support to their leaders' character.

Table 6: The Provision of Capacity building and Professional Development Opportunities at the PSE

No	Items	Respondents				
110	Items	In Number	In Percentage (%)			
1.	How much leaders of the enterprise provide adequate capacity building					
	professional development opportunities through long-term and short-					
	term trainings?					
	a. Very high	3	8.57			
	b. High	5	14.3			
	c. Average	7	20.0			
	d. Low	12	34.28			
	e. Very Low	8	22.85			
	Total	35	100			
2.	How do you evaluate the leadership practice of the organization as					
	compared to that of other government organizations?					
	a. Excellent	6	17.14			
	b. Very Good	13	37.14			
	c. Good	9	25.71			
	d. Average	7	20.0			
	e. Poor					
	Total	35	100			

Capacity building is one of the most important issues which have been drawing the attention of many leaders. Long-term and short-term training program have to be designed in order to enhance workers' capacity. This would ultimately be helpful for the successful accomplishment of the goals of the enterprise. Regarding to the practical implementation of this program, as shown under Table 6 (item no. 1), 8.57% of the respondents rated it as very high, 14.3% of the respondents as high, 20% of the respondents as average, 34.28% of the respondents as low and 22.86 of the respondents as very low. The information in general indicates how capacity building is not given the appropriate concern.

As shown in the above table, (item no. 2), 17.14% of the respondents rated the leadership practice of their enterprise as excellent when they compared it to other government organizations. 37.14% of the respondents rated it as very good & 25.71% of the respondents as good. Moreover, 20% of the respondents rated it as average. When we compare the excellent rating with the rest of others, it is relatively lower.

Table 7: Leadership Competencies of the Leaders of the PSE

			Responses (put a " ✓ " mark)										
No.	Items	Тоа	very	To a	great	То	some	То	less	Not	t at all	То	tal
		great	extent	ext	ent	ex	tent	ext	ent				
1.	To what extent do the leaders												
	exercise the following	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
	competencies?												
	a. Ability to inspire others	8	22.85	12	34.28	10	28.57	5	14.3			35	100
	b. Emotional maturity	11	34.42	13	37.14	7	20	5	14.3			35	100
	c. Empowering others to	15	42.85	10	28.57	7	20			3	8.57	35	100
	best perform their task	13	42.03	10	26.37	,	20				0.57	33	100
	d. Problem solving skills	12	34.28	14	40	5	14.3	1	2.86	3	8.57	35	100
	e. Willingness to take risks	10	28.57	13	37.14	4	11.42	5	14.3	3	8.57	35	100
	f. Ability to understand human behavior	12	34.28	12	34.28	7	20	1	2.86	3	8.57	35	100

Leadership competence plays a vital role in creating conducive work environment which would ultimately inspire workers and increase the productivity of an organization. In relation to this, workers were asked to indicate the some leadership competencies of the leaders of the procurement service enterprise.

As shown in the above table, regarding the leaders' ability to inspire others, 22.85% of the respondents agree with this competence of leaders to a very great extent. 34.28% of the respondents agree with the issue under discussion to a great extent. 28.57% of the respondents agree to some extent. On the other hand, 14.3% of the respondents agree to a less extent. If we add the percentage of the very great extent and great extent agreements together, 57.13% of the respondents agreed that the leaders of the enterprise have better competence in their ability to inspire their followers.

Regarding the issue of emotional maturity of the leaders of the enterprise 34.42% of the respondents expressed the level of agreement to a very great extent, 37.14% of the of the respondents agree with the issue to a great extent, 20% of the respondents agree to some extent and 14.3% of the respondents agree to a less extent. When we add the number of respondents who agree to a very great extent 11(34.42%) and a great extent 37.14% it is possible to say that 71.56% of the respondents concerning the emotional maturity of their leaders.

Empowering workers to best perform their task is very important in motivating workers. Concerning this issue, 42.85% of the respondents express their agreement to a very great extent. 28.57% of the respondents also agree to a great extent. Adding the two, it is possible to conclude that 71.42% of respondents have better perception regarding their leaders' competence. 20% of the respondents agree to some extent. However, 8.57% of the respondents do not agree at all. It has to be underscored that even though the number of respondents who do not agree is small, it indicates the existence of some gap regarding this competence of leaders.

Problem solving skills of leaders has much to do with workers' work performance and the successful goal achievement of an organization. Regarding this competence of leaders of the Procurement Service Enterprise, 34.28% of the respondents agree to a very great extent and 40% of the respondents express their agreement to a great extent. 14.3% of the respondents agree to some extent and 2.86% of them agree to less extent. However, 8.57% of the respondents do not agree at all and this is and indication of some kind of gap regarding the issue under discussion.

Regarding the willingness of to take risks, 28.57% of the respondents agree to a very great extent and 37.14% of the respondents agree to a great extent. 11.42% of the respondents agree to some extent and 14.3% of the respondents agree to less extent. On the other hand, 8.57% of the respondents do not agree at all. When we add the number of respondents who agree to some extent and to less extent 4(11.42%) and 5(14.3%) respectively, they will constitute 25.72% of the respondents. If we add those who do not agree (8.57%) of the respondents, it will be constitute 34.29 % and this indicates the existence of a wide gap in this competence of leaders.

Leader's ability to understand the behavior of their followers is very important for the workers, leaders and the organization at large. It is only when leaders have better understanding of their followers that they can motive and inspire them. This understanding will also help leaders to help workers who need assistance. Leaders can use alternative ways of approach towards their followers when they have good understanding about the behavior of their followers. Regarding the leaders ability to understand the behavior of their workers, 34.28% of the respondents agree to a very great extent and 34.28% of the respondents agree to a great extent, 20% of the respondents agree to some extent and 2.86 % of the respondents agree to a less extent. On the other hand, 8.57% of the respondents do not agree at all which is an indicator of the existence of some gap regarding the issue under discussion.

Leaders were asked about their interaction with their subordinates and for how long they respond to their subordinates' request. Most of the leaders agreed that they have very good relationship with their workers and they have been responding to their workers' request within two weeks. On the other hand, some of the leaders explained that their relationship with their subordinates is good and they mostly respond to their subordinates' request within a month. Generally, the leaders' idea substantiated by the information gained from workers. Nevertheless, this information seems to be paradoxical. On the one hand, workers have agreed that the leadership style followed by the leaders of the Procurement Service Enterprise have been contributing to employee turnover. Therefore, this situation might force us to raise the question, "Why workers leave the enterprise if the leader-follower relationship is good?"

Table 8: Leadership Behaviors of the Leaders of the PSE

				F	Respons	es (pu	t a " ✓ "	mark	<u>.</u> )				
No.	Item		ngly ree	Aş	gree	Und	lecided	Di	sagree		ngly gree	T	otal
1.	Indicate your degree of agreement with the following statements that express the behavior of your immediate supervisor.	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
	My immediate     supervisor is tolerant	13	37.14	10	28.57	7	20	5	14.3			35	100
	b. My immediate supervisor fits to the position he/she hold	16	45.71	13	37.14	3	8.57	3	8.57			35	100
	c. My immediate supervisor has the ability to accept and seek new challenges	10	28.57	13	37.14	6	17.14	6	17.14			35	100
	d. My immediate supervisor demonstrated his dedication and commitment to the organization mission, goals and objectives by hard work and self securities	10	28.57	10	28.57	5	14.3	4	11.42			35	100

Leaders' behavior is one of the key element in determining the success or failure of an organization. It has strong impact in influencing the condition of work environment. As shown in the table 8, some four behaviors of leaders were forwarded to workers of the procurement Service Enterprise to express their degree of agreement. Accordingly, regarding how much leaders of Procurement Service Enterprise are tolerant 1(a), 37.14% of the respondents strongly agree and 28.57% of the respondents agree. On the other hand, 20% of the respondents are unable to decide and 14% of the respondents do not agree. When we add the later two responses it will make up 34% of the respondents which is an indication of the existence of some gap so far as this behavior of leaders is concerned.

When right persons are placed in the right position, they will positively influence their followers and this has its own contribution for the effective accomplishment of jobs. As shown in the table above under item no. 1(b), 45.71% of the respondents strongly agree and 37.14% of the respondents also express their agreement. On the other hand, 8.57% of the respondents are unable to decide while 8.57% of the respondents disagree. When we add the latter two groups, they will constitute 17.14% of the total respondents. This reflects the existence of some problem regarding the issue under discussion.

Leaders' ability to accept and confront challenges is very important for the successful goal achievement. As shown in the table above, item no. 1(c), 28.57% of the respondents strongly agree and 37.14% of the respondents express their agreement. On the other hand, 17.14% of the respondents are unable to decide. However, 17.14% of the respondents have expressed their disagreement. This implies that existence of some degree of weakness on the part of leaders regarding their ability of confronting challenges.

Leaders' dedication and commitment to the achievements of the mission, goals of objectives of an organization play a crucial role to bring about an allover success. As shown above item number 1(d), 28.57% of the respondents strongly agree and 28.57% of the respondents agree. Adding the two is possible to say that 57.14% of the respondents are positive towards the commitment of the leaders of the enterprise. However, 14.3% of the respondents are unable to decide. 11.42% of the respondents express their disagreement. Overall, this information shows valid weakness on the part of leaders regarding the commitment of leaders to achieve the mission, goals and objectives of the enterprise.

In order to identify the types of leadership styles exhibited by the leaders of the Procurement Service Enterprise, interview was conducted with leaders at various levels of the enterprise. Accordingly, characteristics exhibited by the five leadership styles: Autocratic, Bureaucratic, Democratic, Participative, Charismatic and Laissez-fair were raised.

As part of checking whether the leaders of the enterprise exhibit an Autocratic leadership style, the points that the researcher raised during the interview were to what extent the leaders have been unilaterally making decisions with out being accountable for everything, leaders have complete command and hold over their workers, leaders make unquestionable decisions, not allow workers to criticize the practice of leaders and make decisions with out consulting their workers. Accordingly, the majority of the leaders who participated in the interview pointed out that they have been exhibiting an autocratic leadership style to some extent while some of the leaders believe that they exhibit this leadership style to a less extent.

To examine the situation of bureaucratic leadership style exhibited by the leaders of the enterprise, the questions raised during the interview were: to what extent the leaders were adhere the organizational rules and policies, impose strict and systematic discipline on the workers, and make sure that everything is done in an exact way to ensure accuracy. The majority of the leaders to a vey great extent agree that they have been exhibiting a bureaucratic leadership style. On the other hand, some of the leaders agree to a great extent. Therefore, it is possible to conclude that bureaucratic leadership style is one of the dominant leadership styles exhibited by the leaders of the enterprise.

The above information is strongly substantiated by the customers of the enterprise. Most of the customers both suppliers and purchasers have explained that the enterprise have been strictly respecting all legal procurement rules and regulations of the country. This implies how much the leadership of the Procurement Service Enterprise has a bureaucratic nature.

During the interview with leaders of the enterprise, the researcher raised the following points in order to check to what extent leaders have been exhibiting a democratic leadership style: Promote a sense of team work, guide workers on what to perform and how to perform, allow workers to provide input before making decisions, and invite workers in decision making. Generally speaking, the majority of the leaders of the enterprise to a very great extent agree that they have been exhibiting the above competencies of democratic leadership style. Moreover, some of the leaders also agreed to a great extent and few of the leaders agree to some extent. This finding seems to be a contradictory. This because, as it was explained above table, the majority of the leaders to a very great extent and some of the leaders to a great extent agreed about the existence of bureaucratic leadership style in the enterprise. Thus, in such a working climate it is very difficult to expect competencies of democratic leadership style.

In an attempt of examining as to whether participative leadership style is exhibited by the leaders of the Procurement Service Enterprise, the following issues were raised: accept workers' ideas before making decision, encourage workers in decision making, maintain a healthy relationship with their workers, and involve all workers in identifying essential goals. Regarding the three points (accept workers' ideas before decision, maintaining of a healthy relationship with their workers and the involvement of all workers in identifying essential goals), the majority of the leaders agreed to a very great extent and few of the leaders agreed to a great extent. However, regarding the issue of encouraging workers in decision making, the majority of the leaders agreed to some extent while of them agreed to a less extent. This shows, to what extent decision making has been the exclusive responsibility of leaders.

The researcher raised the following points in order to investigate to what extent leaders of the enterprise have been exhibiting the charismatic leadership competencies: leaders have been viewed as a hero and as having supernatural powers and abilities, are self-confident and having strong belief over their decisions and actions. Regarding the last point (the issue of confidence), the majority of the participants have agreed to a very great extent and some of the leaders agreed to a great extent. However, in the rest of the points which express the competencies of charismatic leadership style, some of the leaders were unable to decide as to whether they have been exhibiting charismatic character. Some of the leaders agreed to some extent and the majority of the leaders agreed to a less extent. Therefore, it is possible to say that charismatic leadership style do not characterize the leaders of the enterprise except the confidence they have as a character of charismatic leaders.

During the interview with the leaders of the enterprise, the following competencies of laissez-fair leadership style were raised: trust their workers to perform the job themselves, allow workers complete freedom to make decisions concerning the completion of their work, provide little or no direction to their workers, and focus on the rational aspect of their work and not on the management. Accordingly, some of the leaders to a very great extent agreed that they have been exhibiting competencies of laissez-fair leadership style. The majority of the leaders expressed their agreement to a great extent. Moreover, few of the leaders believe that they have been exhibiting characteristics of this leadership style to some extent. Generally, the existence of this leadership style in the enterprise contradicts with what has been discussed above. As it is explained above, the majority of the leaders of the enterprise expressed that competencies of bureaucratic and democratic leadership styles have been exhibited in the leaders' behavior. Therefore, the existence of competencies of laissez-fair leadership style seems to be a paradox. This is because one can not expect laissez-fair leadership style in an environment where bureaucratic leadership competence is dominant.

#### 3.4. Employees Reaction to Leadership of the Enterprise

Table 9: Employees Satisfaction with the Leadership Practices of the PSE

No.	Items	Respondents				
110.	Items	In Number	In Percentage (%)			
1.	Most of the organizations employees are satisfied with the					
	leadership practices of the organization?					
	a. Strongly agree	7	20.0			
	b. Agree	12	34.29			
	c. Undecided	9	25.71			
	d. Disagree	7	20.0			
	e. Strongly disagree					
	Total	35	100			
2.	To what extent leaders are encouraging individual members					
	to try new practices consistent with their interests?					
	a. a very great extent	6	17.14			
	b. To a great extent	7	20.00			
	c. Undecided	10	28.57			
	d. To some extent	8	22.85			
	e. To less extent	4	11.47			
	Total	35	100			
3.	How do you explain the relationship between employees					
	and leaders of the enterprise?					
	a. Excellent	5	14.28			
	b. Very good	13	37.14			
	c. Good	10	28.57			
	d. Fair	5	14.28			
	e. Poor	2	5.71			
	Total	35	100			
4.	Do you agree that leaders are trying to instill in workers, a					
	sense of belonging to the enterprise?					
	a. Strongly agree	9	25.71			
	b. Agree	11	34.42			
	c. Undecided	7	20.00			
	d. Disagree	8	22.85			
	e. Strongly disagree					
	Total	35	100			

The satisfaction of employees with leadership practices is very important for the productivity of an organization. This is because the more employees are satisfied, the more they will be motivated to work

hard and to have strong commitment. Workers of the Procurement Service Enterprise were asked to express the level of their satisfaction with the leadership practice of their leaders. A shown in the table above, item number 1, 20% of the respondents strongly agree, 34.29% of the respondents agree. 25.71% of the respondents are unable to decide their agreement. However 20% of the respondents disagree with the issue under discussion. This information indicates the existence of some gap in the employees' satisfaction with their leadership practice.

When workers are encouraged to try new practices, they will develop self-confidence and improve their capacity and creativity. When expressing to what extent leaders of the Procurement Service Enterprise have been encouraging their followers (item number 2) 17.14% of the respondents agree to a very great extent. 20% of the respondents agree to a great extent. 22.85% of the respondents agree to some extent and 11.47% of the respondents agree to a less extent. However, 28.57% of the respondents are unable to decide. Therefore, based on this information, it is possible to conclude that, the leaders' effort to encourage their followers is still less.

Leader-follower relationship in an organization is a decisive factor for the success or failure of an organization's goal attainment. As shown in the table (item number 3), 14.28% of the respondents said that the relationship between leaders and workers at the Procurement Service Enterprise is excellent. 37.14% of the respondents rated the relationship as very good and 28.57% of the respondents rated it as good. 14.28% of the respondents agree that the relationship is fair while 5.71% of the respondents perceived it as poor. Taking the agreement of the majority into account, it is possible to conclude the leader-follower relationship of the enterprise normal.

Leaders were asked as to whether they regularly discuss with their subordinates by arranging meetings. The majority of leaders expressed that they have been discussing with their subordinates on regular basis (weekly). However, few leaders of the enterprise explained that they do not discuss with their workers. However, one can understand the existence of limitations regarding the issue under discussion from the information provided by some respondents and few leaders.

In order to substantiate the information gained from both the workers and leaders of the enterprise, customers were asked to explain the leader subordinate relationship of the Procurement Service Enterprise. Most of the customers explained that they are unable to give tangible information regarding this issue. They asserted that most of their contact has been only with limited departments or units. Because of this limited contact they do not have a complete picture of the leader-follower relation in the enterprise.

Some of the customers explained that they do not have deep knowledge about the relationship. However, they guessed that the leader-follower relationship good only based upon the fast service delivery with the units that they contact.

Workers sense of belongingness to their organization has much to do with their commitment and devotion to the effective mission and vision accomplishment. To that end, leaders should commit themselves to instill this sense in their workers. As shown in the table (item no. 4), 25.71% of the respondents strongly agree that leaders of the Procurement Service Enterprise have been doing that. 34.42% of the respondents have also expressed their agreement. On the other hand, 20% of the respondents are unable to decide. However, 22.85% of the respondents disagree with what others said. Since the number of those who are unable to decide (20%) and those who disagree (22.85) together which is (42.85%), the information indicates the existence of considerable gap in the leaders' effort in creating a sense of belongingness among their followers.

Table 10: Leaders' Expectations of their Workers, Capacity of Leaders in Confronting Conflicts and Employee Turnover

No.	o. Items		Respondents			
NO.	nems	In Number	In Percentage (%)			
1.	Are the leaders of the enterprise expecting workers to be					
	innovative, hard-working and professional and these qualities					
	are included among the criteria used in hiring workers?					
	a. Yes	30	85.71			
	b. No	5	14.29			
	Total	35	100			
2.	How often do the leaders of the enterprise confronting conflict					
	openly and acting to resolve it through the use of shared values?					
	a. Very often	5	14.28			
	b. Often	7	20.00			
	c. Sometimes	10	10.57			
	d. Rarely	13	37.14			
	e. Very rarely					
	Total	35	100			
3.	How often do leaders act in a manner consistent with those					
	beliefs and values shared within the enterprise?					
	a. Very often	2	5.71			
	b. Often	7	20.00			
	c. Sometimes	15	42.85			
	d. Rarely	8	22.85			
	e. Very rarely	3	8.57			
	Total	35	100			
4.	The leader ship style demonstrated by the management has					
	significantly contributed to high employee turnover?					
	a. Strongly agree	9	25.71			
	b. Agree	12	34.29			
	c. Undecided	14	40.00			
	d. Disagree					
	e. Strongly disagree					
	Total	35	100			

Regarding the leaders' expectation of their workers to be innovative, hard-working and professional (item number 1), 85.71% of the respondents agree that leaders of the Procurement Service Enterprise have been doing well concerning the issue under discussion. But still the presences of workers who do not agree with the leaders' effort are indicators of the limitations that have not been still avoided by the leadership of the enterprise.

Conflicts are normal in the day to day social interaction of individuals and groups. Even conflicts are important for social development if they are properly managed and resolved. To that end, leaders need to have the culture of confronting conflicts openly and acting to resolve them through the use of shared values. As shown in the table (Item number 2), respondents were asked to what extent leaders of the Procurement Service Enterprise have been confronting conflicts. Only 14.28% of the respondents believe that their leaders have been doing it very often. 20% of the respondents agree that their leaders often confront conflicts. 10.57% of the respondents agree that leaders are confronting conflicts some times. 37.14% of the respondents agree that their leaders are confronting conflicts rarely. Based on the allover information (data), it is possible to conclude that leaders of the enterprise have considerable limitation regarding the issue under discussion.

When leaders act in a manner consistent with the beliefs and values shared with within the enterprise, it will create a stabilized and conducive work environment. To that end, workers of the Procurement Service Enterprise were asked how often their leaders have been acting (Item number 3). Accordingly, 5.71% of the respondents believe that their leaders are acting very often. 20% of the respondents agree that their leaders are acting often. On the other hand 42.85% of the respondents agree that leaders have been acting sometimes. 22.85% of the respondents agree that their leaders have been acting rarely and 8.57 of the respondents believe that leaders have been acting very rarely. Generally, the information indicates the existence of a wide gap in the manner of leaders in acting consistent with the beliefs and values shared among members of the enterprise.

Leadership style is strongly related with employees' turnover. The more leaders create conducive work environment, consider the interests of their followers, the more will be followers sense of belongingness to their organization. As shown in the table (item no. 4), 25.71% of the respondents strongly agree that the leadership style at Procurements Service Enterprise have been contributing for employee turnover. 34.29% of the respondents also agree. However, 40% of respondents do not decide. The absence of respondents who disagree with the issue shows how employee turnover is a serous problem in the enterprise.

### 3.5. The Participation of Workers in the Decision-Making Process

**Table 11: Workers Involvement in Decision Making** 

No.	Items	Res	spondents
		In Number	In Percentage (%)
1.	How often leaders are referring to the goals of the		
	enterprise and making explicit use of them when decisions		
	are being made about changes in the enterprise?		
	a. Very often	3	8.57
	b. Often	7	20.00
	c. Sometimes	7	20.00
	d. Rarely	8	22.85
	e. Very rarely	10	28.57
	Total	35	100
2.	How much leaders of the enterprise are trying to respond		
	positively to workers' initiatives for change as often as		
	possible?		
	a. Very high	3	8.57
	b. High	10	28.57
	c. Average	12	34.29
	d. Low	7	20.00
	e. Very Low	3	8.57
	Total	35	100
3.	To what extent leaders take individual worker's opinions		
	into consideration when initiating actions that may affect		
	their work?		
	a. a very great extent	4	11.47
	b. To a great extent	7	20.00
	c. Undecided	14	40.00
	d. To some extent	7	20.00
	e. To less extent	3	8.57
	Total	35	100
4.	Where do you rate the extent of the employees' involvement		
	in the decision making process?		
	a. Very high		
	b. High	6	17.14
	c. Average	8	22.85
	d. Low	10	28.57
	e. Very Low	11	31.43
	Total	35	100

When making decisions referring to the goals of an organization is very important for the successfulness of goal attainment of any institution. Workers of the Procurement Service Enterprise were asked how much their leaders have been referring the goals of the enterprise when decisions are made. As shown in the table (Item number 1), 8.57% of the respondents agree that leaders are referring to the goals of the enterprise very often. 20% of the respondents believe that their leaders are often referring to the goals of the enterprise. According to the 20% of the respondents, leaders sometimes refer to the goals of the enterprise. On the other hand, 22.85% of the respondents agree that leaders are rarely referring to the

goals of the enterprise. However, 28.57% of the respondents believe that leaders are referring to the goal of the enterprise very rarely. Based on the above information, it is possible to conclude that the leaders of the enterprise have a vivid weakness regarding the issue under discussion.

Positive response to workers' initiatives for change has a vital role in motivating workers as well as to strengthen the positive relationship between workers and leaders. In this regard, as shown in the above table (Item number 2), workers of the Procurement Service Enterprise were asked to rate how much their leaders are responsive to their initiatives for change. Accordingly, 8.57% of the respondents rated it as very high. The same number of respondents (8.57%) rated the responsiveness of their leaders as high. 28.57% of the respondents rated the same case as average. On the other hand, 34.29% of the respondents believe that their leader's responsiveness is low. Moreover, 20% of the respondents agree that their leaders' responsiveness to their workers' initiative for change is very low. Based on the above information, one can generally say that the leaders of the enterprise have not been positively responding to workers' initiatives for change.

Considering the opinion of individual workers while initiating actions is very important for motivating workers. As shown in the table (Item number 3), workers were asked how much their leaders are considering the opinions of individual workers while taking actions. Accordingly, 11.47% of the respondents believe that the leaders are considering the opinion of individual workers to a very great extent. 20% of the respondents agree to a great extent. However, 40% of the respondents are unable to decide regarding this behavior of leaders. 20% of the respondents agree with the issue to some extent while the remaining 8.57% of the respondents agree to a less extent. Generally, the information revealed the existence of considerable limitation on the part of leaders of the procurement Service Enterprise regarding their consideration of the opinion of individuals.

Scholars agree that for the successful goal attainment of an organization, the participation of workers in the decision making process is very important. Workers of the Procurement Service Enterprise were asked to rate the extent of their involvement in the decision making process. As shown in the table (Item number 4), 17.14% of the respondents believe that the participation of workers in the decision making process is high while 22.85% of the respondents rated it as an average. However, 28.57% and 31.43% of the respondents rated it as low and very low respectively. Based on the above information gained from the data, it is possible to conclude that leaders of the enterprise have been giving little room for workers' participation in the decision-making process.

In relation to the above idea, leaders of the Procurement Service Enterprise were asked whether they involve their subordinated in decision making. Accordingly, the majority of the leaders expressed that they sometimes involve their subordinates in decision making regarding job related matters. On the other hand, some of the leaders never allow their subordinated in decision-making about customers' satisfaction.

Regarding the extent of the workers' participation in the decision making process, few the leaders express that they have been allowing their workers to participate to a very great extent. Moreover, some of the leaders believe that they have been allowing the involvement of workers in the decision making process to a great extent. However, the majority of the leaders agree that they have been some times involving their subordinates in the decision making process.

In order to know the performance of the enterprise in delivering service, customers were asked how much they have been satisfied by the service provided by the Procurements Service Enterprise. Most of the customers who have been gaining purchasing service by the PSE explained that, the enterprise has wide experience in giving fast purchasing service. They added that purchasing process encompass several activities. They asserted that international purchasing service to buy machineries; laboratory equipments and others require maximum care. Thus, they prefer to get purchasing service by PSE since the enterprise has a cumulated experience in these activities.

However, some of the customers have explained that there are times during which goods are not arrived at the required time. They also added that some times the goods purchased by the enterprise with poor quality. But still they found the service given by the enterprise good.

Supplier customers of the enterprise have witnessed the existence of transparent purchasing process. They also added that the enterprise strictly respect the procurement policy of the federal government. However, some of the customers explained that sometimes payments are not timely performed. They also described that to get the completion of some affairs they comment that the enterprise can shorten the time required to finalize some affairs.

What can we understand from the information like that of the purchasers, suppliers have positive out look about the service provided by the enterprise. However, regarding the provision of fast service, supplier customers have some reservations.

Customers were asked how the leaders of the enterprise respect other stakeholders (customers). Both supply and purchases customers of the enterprise have appreciated the leaders good reception and effort to provide fast service delivery. However, they described that there are times during which they are unable to get the concerned body because of meetings, which caused them to waste time unnecessarily. Both customers (Suppliers and Purchasers) were invited to give their opinions, comments and suggestions about the general service delivery of the enterprise. Most of them explained that the service provided by the enterprise is better when compared with other government institutions. They explained that despite the enterprise have been providing better services; it has not been well know by many institutions. They suggested that, it is better of the enterprise to promote itself through the mass media. It is also better to shorten the process of visiting a number of offices to get the completion of a specific affair.

#### **CHAPTER FOUR**

#### SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter deals with summery, conclusion and recommendations forwarded by the researcher based on the major findings of the study.

#### 4.1. Summary

- According to most workers, the leaders of the enterprise have not been acknowledging the compatibility of the goals of workers and the enterprise. However, significant numbers of respondents disagree. This indicates the existence of tangible gap and some weakness regarding the issue under discussion. Moreover, the majority of workers believe that the leader-follower relationship in the enterprise, have some kind of weakness particularly in separately treating some of the workers who are negated by others. The information gained from the interview with leaders substantiated the workers idea.
- Capacity building is very important to have a reliable reservoir of work force. However, the information gained form the workers of the enterprise showed that capacity building has not been given the appropriate concern. Unless the enterprise revises its practice regarding the issue under discussion, it will jeopardize the future success of the enterprise.
- Regarding the leaders competencies such as ability to inspire others, emotional maturity, empowering others to best perform their task, problem solving skills, willingness to take risks, and ability to understand human behavior, the majority of workers agree that the leaders of the Procurement Service Enterprise have been exhibiting better performance.
- Concerning the behaviors of their leaders, the majority of workers believe that most leaders have been exhibiting less tolerant behavior. On the other hand, regarding the leaders ability to accept and confront challenges, the majority of workers have positive out look. Thus, this study has also discovered that leaders of the enterprise have lower performance in confronting conflicts.
- Even though, the majority (53.49%) of the workers have positive outlook to their leaders, the remaining workers have expresses their dissatisfaction. Moreover, leaders of the enterprise have less effort in encouraging their followers. However, the information still revealed the existence of normal relationship between leaders and workers of the enterprise.

The information gained from the collected data has pointed out that leaders of the enterprise have not good expectation of their workers to be innovative, hard working and professional. This might have its own share for the high rate of employee turnover. Moreover, leaders of the enterprise have not been considering the opinion of individual workers while taking action and making decisions.

#### 4.2. Conclusion

- The information gathered through questionnaire (filled by workers of the enterprise) pointed out that the leaders of the Procurement Service Enterprise have been exciting their workers with the vision of the enterprise. Most workers believe that their leaders have been helping them to understand the vision of the enterprise. Leaders also assist their followers to understand the relationship between external initiatives for change and the enterprise's vision. The fact that transformational leaders are visionary, the efforts of leaders mentioned above imply the leaders of the enterprise have transformational leaders of character.
- ➤ The leaders of the enterprise have better performance in exciting workers with the vision of the enterprise and they also have good effort in enhancing their workers understanding about the vision of the enterprise. Most workers believed that leaders of the enterprise have been performing well in communicating the mission and vision of the enterprise to workers and other stakeholders. Leaders have been performing well in assisting workers to develop consistency between the vision of the enterprise and the goals of individuals.
- Even though, leaders of the enterprise have been helping workers to achieve their individual goals, their contribution in this area is low. Despite the existence of weakness, leaders of the Procurement Service Enterprise have been performing well in enhancing good relationship between workers and leaders. However, the issue of giving personal attention to individual members and capacity building has not been given due regard by the leaders of the Procurement Service Enterprise. Thus, practice of leaders might have its own impact for employee turnover.

- Leadership competencies of the leaders of the Procurement Service Enterprise like ability to inspire others, emotional maturity, empowering others to best perform their task, skills of problem solving, willingness to take risks and ability to understand human behavior are generally valued as positive by the workers of the enterprise with relatively some weakness in empowering subordinates. Moreover, the research has found out some weakness in leaders' behavior like tolerance, ability to accept new challenges, demonstrating commitment and dedication to develop compatibility between the mission of the enterprise and individual goals.
- ➤ Leaders of the enterprise have not been giving due regard to the workers satisfaction, encouraging workers to try new practices, developing workers' sense of belongingness to their organization, culture of confronting conflicts openly and try to properly manage, responsiveness to their workers' initiative for change, considering the opinion of individual workers while initiating actions and their involvement in decision making. This in return have been seriously affected the workers' sense of belongingness to their enterprise.
- The enterprise has been trying to satisfy its customers to the best of its level, however, there are still some problems which need to be resolved in order to strengthen the existing relationship. For instance, the highly bureaucratic nature of leadership which requires customers to visit a numbers of offices to get the completion of even very simple cases has been the sources of dissatisfaction
- For Generally, in this study, an attempt was made to investigate whether transformational leadership is practiced at the Procurement Service Enterprise. Thorough analysis of the data collected in the light of the objectives of the study revealed that because of the prevalence of bureaucratic leadership style, transformational leadership have been inadequately practiced by the leadership of the enterprise. This discrepancy between the high demand for transformational leadership among followers and the inadequate transformational leadership characters demonstrated by the existing leadership of the enterprise implies that there is still a room for implementation of this leadership style in the enterprise which might help to make the enterpriser more effective. In this regard, the enterprise's leadership may exploit the level of readiness and willingness of the workers of the enterprise to exercise transformational leadership at desirable level.

#### 4.3. Recommendations

The following recommendations were forwarded based on the major findings and conclusions.

- Leaders of the enterprise should use the vision and mission of the enterprise as an instrument of motivating and inspiring their workers. Moreover, they should consider their weakness in acknowledging the compatibility of the goals of their workers and that of the enterprise. This is because; it is only when workers think of their goal that they can be encouraged to work had which in return will contribute for the attainment of the goal of the enterprise. Leaders of the enterprise should develop tolerant character, be strongly committed to achieve the mission, goals and objectives of the enterprise in order to improve the workers' satisfaction with their leadership practice.
- As part of improving the leader-follower relationship, leaders of the enterprise should give personal attention to their individual workers by realizing their personal needs so as to enhance their sense of belongingness to the enterprise. Moreover, leaders of the Enterprise should provide a strong emphasis to capacity building in order to make the futures of the enterprise bright. To that end they should give their workers short term and long term training and education opportunities. In addition, leaders should organize seminars and workshops through which they can enhance the knowledge, skills and experience of their followers. This will minimize otherwise avoid the problem of employee turnover. The fact that the enterprise is profit making institution; it should allocate the required amount of budget for solving the various problems which would hinder its future success.
- ➤ Because of the bureaucratic style of leadership exhibited by the leaders of the enterprise, workers have not been actively participating in the decision-making process. Leaders of the enterprise should positively respond to workers' initiatives for change, take the opinion of individual workers while initiating actions and allow workers to actively participate in decision-making process. Thus, leaders of the enterprise should revise their leadership style in order to put the fate of the enterprise on the safe side. Moreover, leaders of the enterprise should provide serious concern about the feeling of their customers and promote the enterprise to make their enterprise known by many purchaser and supplier customers.
- The leadership of the enterprise has not been properly practicing some of the most important elements of transformational leadership like communicating the vision of the

enterprise with passion and purpose, Pay personal attention to others in a way that engages them and generates trust and commitment, genuinely care about them, what they want, and how they can serve them, have the qualities of, charisma or idealized influence, inspirational motivation, intellectual stimulation and individualized Consideration or Individualized Attention. However, the problem is by far much severe in relation to individual consideration. Therefore, the leadership of the enterprise should try to address this problem without wasting time. To do so, the leadership should design some strategies of tackling the problem such as care about and seek for the development of followers, encouraging and treating everyone equally, giving personal attention and trying to know individual members, promoting capacity building, providing recognition and personal encouragement to individuals for good performance and so on.

In order to successfully solve the different problems that have been encountering the enterprise and to enable the enterprise move on success, it is better to revise the existing leadership style i.e. transformational leadership style should take the leading at the expense of autocratic and bureaucratic leadership styles. The leadership of the enterprise should try to make use of the existing conducive environment (i.e. willingness and readiness of workers to adopt transformational leadership. Moreover, the leadership should travel far to solve the problems found out by this research. This could be done by practically trying to address the problems so far prevailing in the enterprise.

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#### St.Mary's University College Faculty of Business Management Department

#### A Questionnaire to be Filled by Leaders of the Enterprise

I would like to thank you for your willingness and cooperation in filling out this questionnaire. The main objective of this study is to assess the Transformational Leadership Practices and Challenges at Procurement Service Enterprise. The success of this study is entirely dependent on your kind cooperation, and genuine and frank response to the question raised. This study is required solely for an academic purpose and thus the confidentiality of your information will not be compromised.

#### Remarks:

- All questions are equally importance and valuable to this research. So please you try to answer all question.
- No need of writing your name.
- Please put "✓" in the given boxes
- Please do not hesitate to include additional input you want to include.

#### **PART ONE: Personal Information**

A. Sex:	a. Male
	b. Female □
B. Age:	a. 18-29 □
	b. 30-39 □
	c. 40-49 □
	d. 50 and above $\square$
C. Education:	a. Below Diploma
	b. Diploma
	c. BA/BSC Degree □
	d. MA/MSC □
	e. Others
D. Work Expe	erience:
	a. 1-5 years □
	b. 6-10 years □
	c. 11-15 years □
	d. 16-20 years □
	e. Above 20 years □

### **PART TWO: Job Related**

## I. Vision & Mission of the Enterprise

5.	To what extent the leaders of the enterprise try to excite workers with visions of what they may be able to accomplish it if they work together to change their practice?  a. To a very great extent   b. To great extent   c. Undecided   d. To some extent   e. To less extent
6.	The leaders are helping workers in clarifying the meaning of the enterprise's vision in terms of its practical implications.  a. Strongly agree □  b. Agree □  c. Undecided □  d. Disagree □  e. Strongly disagree □
7.	Are leaders assisting workers in understanding the relationship between external initiatives for change and the enterprise's vision?  a. Yes □  b. No □
8.	If your <b>answer</b> is yes, explain its extent  a. To a very great extent □  b. To great extent □  c. Undecided □  d. To some extent □  e. To less extent □
9.	To what extent leaders are using all available opportunities to communicate the mission and vision of the enterprise to workers and other stakeholders?  f. To a very great extent  g. To great extent  h. Undecided  i. To some extent  j. To less extent
10	. How do you express the efforts of leaders in assisting workers in developing consistency between the vision of the enterpriser and both group and individual goals?  a. Excellent  b. Very good  c. Good  d. Fair  e. Poor  □

	n such is the case? s □	clearly acknowledge the compatibility of workers' and enterprise'
a. Str b. Ag c. Un d. Di	swer is yes, express ongly agree   gree  decided  sagree  ongly disagree	s the extent of your agreement
enterprise' a. Ve b. Hi c. Av d. Lo	? ry high □ gh □ erage □	to help workers achieve their individual and the goals of the
	's vision and goals? s □	nity to focus attention on, and to publicly communicate, the
a. a v b. To c. Un d. To	swer is yes, explain ery great extent a great extent decided some extent less extent	its extent.
II. The Lead	ders' Practice of	Exhibiting Leadership Role
accessible a. To b. To c. Un d. To	and welcoming chase a very great extent a great extent decided some extent less extent	
thoughtful a. Ye		ntion to workers who seem neglected by others? Or are they needs of such workers?

18. If your	answer is yes, ex	xplain its extent
a.	a very great exte	ent 🗆
b.	To a great exten	t 🗖
c.	Undecided	
d.	To some extent	
e.	To less extent	
19. How m	nuch leaders of th	e enterprise provide adequate capacity building professional
develo	pment opportunit	ies through long-term and short-term trainings?
a.	Very high	]
b.	High $\square$	]
c.	Average [	]
d.	Low	]
e.	Very Low	
20. How d	o you evaluate th	e leadership practice of the organization as compared to that of other
govern	ment organizatio	ns?
a.	Excellent $\Box$	]
b.	Very Good	]
c.	Good [	]
d.	Average $\Box$	]
e.	Poor $\square$	]

21. To what extent do the leaders exercise the following competencies?

		Responses (	put a "✓"	mark)	
Item	To a very	To a great	To some	To less	Not at
	great extent	extent	extent	extent	all
2. Ability to inspire others					
3. Emotional maturity					
4. Empowering others to best					
perform their task					
5. Problem solving skills					
6. Willingness to take risks					
7. Ability to understand human					
behavior					

22. Indicate your degree of agreement with the following statements that express the behavior of your immediate supervisor.

			Responses	(put a " ✓	" mark)	
	Item	Strongly agree	Agree	Undecid ed	Disagree	Strongly disagree
a.	My immediate supervisor is tolerant					
b.	My immediate supervisor fits to the position he/she hold					
c.	My immediate supervisor has the ability to accept and seek new challenges					
d.	My immediate supervisor demonstrated his dedication and commitment to the organization mission, goals and objectives by hard work and self securities					

III. Employees Reaction to Leadership of the Enterprise
23. Most of the organizations employees are satisfied with the leadership practices of the organization?  a. Strongly agree □  b. Agree □  c. Undecided □  d. Disagree □  e. Strongly disagree □
24. To what extent leaders are encouraging individual members to try new practices consistent with their interests?  a. a very great extent □  b. To a great extent □  c. Undecided □  d. To some extent □  e. To less extent □
25. How do you explain the relationship between employees and leaders of the enterprise?  a. Excellent □  b. Very good □  c. Good □  d. Fair □  e. Poor □

26. Do you agree that leaders are trying to instill in workers, a sense of belonging to the enterprise?  a. Strongly agree □  b. Agree □  c. Undecided □  d. Disagree □  e. Strongly disagree □
<ul> <li>27. Are the leaders of the enterprise expecting workers to be innovative, hard-working and professional and these qualities are included among the criteria used in hiring workers?</li> <li>a. Yes □</li> <li>b. No □</li> </ul>
28. How often do the leaders of the enterprise confronting conflict openly and acting to resolve it through the use of shared values?
a. Very often     b. Often     c. Sometimes     d. Rarely     e. Very rarely     □
29. How often do leaders act in a manner consistent with those beliefs and values shared within the enterprise?
a. Very often □ b. Often □ c. Sometimes □ d. Rarely □ e. Very rarely □
30. The leader ship style demonstrated by the management has significantly contributed to high employee turnover?  a. Strongly agree □  b. Agree □  c. Undecided □  d. Disagree □  e. Strongly disagree □
IV. Decision Making
31. How often leaders are referring to the goals of the enterprise and making explicit use of them when decisions are being made about changes in the enterprise?  a. Very often □  b. Often □  c. Sometimes □  d. Rarely □  e. Very rarely □

32. How	much leaders of the enterpri	ise are trying to respond positively to workers'	initiatives for
chang	ge as often as possible?		
a.	. Very high $\Box$		
b.	:		
	. Average $\square$		
	Low		
e.	. Very Low $\square$		
33 To w	vhat extent leaders take indiv	idual worker's opinions into consideration who	en initiatino
		-	ch mittating
	ons that may affect their worl	X!	
	a very great extent		
	To a great extent $\Box$		
c.	. Undecided		
d.	I. To some extent $\Box$		
e.	To less extent $\Box$		
34. When	re do you rate the extent of t	he employees' involvement in the decision mal	king process?
	Vary high [		
a.	, ,		
b.	C		
c.	. Average $\square$		
d.	l. Low		
e.	. Very Low $\square$		
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Thank You for Your Cooperation.

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### APPENDEX C

### **Interview Questions to the Leaders of the Enterprise**

1.	How much How much Leaders of the PSE have been helping their followers to understand the vision, mission and goals of the enterprise?
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2.	To what extent leaders of the PSE involve their subordinated in decision making?
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3.	How do you explain the leader-Subordinate relationship at the PSE?
	<u>.</u>
4.	How much leaders of the PSE use an open door policy and how workers present their request, grievance, suggestions and comments?
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5.	To what extent leaders of the enterprise (PSE) give personal attention to individual workers?
	<u>.</u>

6.	How is the leaders' of ability to understand the behaviors of their followers?
7.	How do you explain the behaviors of the leaders of the PSE?
8.	How is the concern of the leaders of the PSE to capacity building and professional development?
9.	To what extent customers of the enterprise have been satisfied by the services provided by the enterprise?

Thank You for Your Cooperation.

### **Interview Questions to the Customer of the Enterprise**

1.	How much have you been satisfied by the services provided by Procurement Service Enterprise (PSE)?
2.	.  How do you explain the leader-Subordinate relationship at the PSE?
3.	How much you agree that the bidding procedure being under taken by the PSE is confidential?
4.	.  To what extent leaders of the enterprise (PSE) respect other stakeholders/customers?
5.	. What opinions, comments and suggestions of its services?

Thank You for Your Cooperation.