

The Effect of Leadership Competency Units on Organizational Effectiveness in Ethiopia: The Case of Federal Public Sector

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Abstract

This study aims at investigating the effect of the major leadership competency units on organizational effectiveness in the Ethiopian Federal Public Service. A corresponding set of seven hypotheses were formulated and tested to thereby refer and adopt models. The study involved 1,272 public servants from a sample of nineteen entities chosen on multi-stage systematic and simple random sampling bases of the lottery method. A five-point Likert type scale survey with 52 items, FGD's and document analyses were employed. Quantitative-qualitative mixed; cross-sectional survey study design was used. The quantitative data was analyzed using descriptive and inferential statistics techniques of multiple linear regression method. The qualitative data was analyzed using narrative analyses. The result of the study showed that the leadership competency units identified by the FDRE Civil Service Commission Task Force somehow coincide with those under this study. About 52 percent of the variation in the dependent variable (overall organizational effectiveness of the FDRE public sector at federal level) was caused by the independent variables (intrapersonal, interpersonal, technical, direction setting, and career competencies) to this level; and about 48 other percent of the variation in the dependent variable (overall organizational effectiveness of the FDRE public sector at federal level) was attributed to other factors not studied by this research. The overall leadership competency units have significant effect on organizational effectiveness. While the descriptive analyses depicted that there is a slightly higher than average rating between 3.18 and 3.62 mean scores in all the six independent and the dependent variable; the qualitative data results aligned more to the regression analyses implying that the competency units identified positively explain the organizational effectiveness. The researchers, thus, suggested that interested competency assessors need to investigate the additional competency units that will have positive effect on organizational effectiveness like developing others' leadership competencies for instance before using them for decisions of cases of promotion, demotion, and transfer of employees; and future researchers need to study competency units for none-leaders (employees).

Key Terms: leadership Competency units, Organization Effectiveness, Public sector

1. Introduction

1.1 Background of the Study

There is a growing concern of deteriorating Graduates' workplace competence internationally. Ethiopia is no excuse and there is even a chance of this being extreme due to poor educational

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quality (CSC, 2022). Thus, graduates' and/or public servants' competence need improvement. In management, we can only improve a certain performance only if we manage to measure it in quantitative terms. However, efforts of measuring civil service competence in Ethiopia so far took only a piece meal approach and hence need standardizing.

The Ethiopian Civil Service Commission has been working to develop and implement a competency framework of its own (Competency Framework Development Task Force-CFDTF, 2020). Nevertheless, preliminary assessment of the related review of literature depicted that the studies were made using only qualitative approach. This, according to most research scholars (Robson, 1995; Kotari, 2009; Creswell, 2011), results in low level of objectivity. More specifically, assessment items require meeting what are called reliability, validity, comprehensiveness, relevance, economy, and fairness among others (Ebel, 1999). In order for the actual assessment items to meet these criteria, there must first of all exist, a competency-framework identified or designed in an objective manner.

However, efforts of measuring civil service competence in Ethiopia so far took only a piece meal approach and hence need standardizing. Hence, this quantitative study attempts to come up with a standardized public servants' competency framework with their related competency units after computing their effect on a selected organizational variables and in this case organizational effectiveness.

1.2 Problem Statement

Having quality competency assessment tools is very decisive. A team of good assessors can come up with quality assessment tools. Nevertheless, if this is to really materialize scientific procedures of both qualitative and quantitative approaches must be made use of. One among the major challenges of running a competency-based assessment system in the Ethiopian public service is not having a strong and dependable competency framework that forms basis for real merit-based competency-based assessment employees' recruitment and promotion. Therefore, the development of a behavioral competency framework for the Ethiopian public sector necessitated to respond to the question, "How much do the major leadership competency units affect organizational effectiveness in the Ethiopian public sector at federal level?" The study hypothesized that, "Leadership competency units (Intrapersonal Competence, Interpersonal Competence, Setting Direction, Technical Competence, Career Competence, and Mentoring Competence) have significant effect on Organizational Effectiveness (Individual Level Effectiveness, Group Level Effectiveness, and Organizational Level Effectiveness)."

1.3 Objectives

This study aims at investigating the effect of the major leadership competency units on organizational effectiveness in the Ethiopian federal public service. More specifically, the study is targeted to determine the extent to which the major leadership competency units affect organizational effectiveness in the Ethiopian public sector at federal level.

1.4 Significance of the Study

The findings of this study have theoretical and practical pieces of significance of the following in brief. First, is to develop a model of estimation and hence serves a basis for future studies. Second, its findings can serve as a basis for performance management activities such as recruitment and selection; training and staff development and competency assessment and related activities. Third, its findings can guide government agencies towards identifying the skills needed by leaders. Fourth, its findings assist in the continuous development and professionalization of leaders in the public service to deliver responsibilities effectively and enhance efficiency. Fifth, its findings define clear expectations in the work-environment, and they create an organizational culture of reliable and high-quality performance delivery. Sixth, its findings provide guidance to leadership related succession planning in HR, talent management, and training needs in line with the organization's goals and mandates. Lastly, the findings also foster leadership mobility, organizational change, and shaping of the organizational culture based on competency.

1.5 Scope and Limitations of the Study

This study is delimited to investigate the effect on organizational effectiveness of the major behavioral competence units of the Top, Middle and the Lower-level leaders in the Ethiopian federal public service without treating them apart; and it does not generally cover non-leaders (followers/performers). The study followed a cross-sectional survey approach.

2. Review of Related Literature

2.1 Theoretical Review

Some of the theories that relate performance management include Goal theory, Control theory, and Social cognitive theory. Goal theory, as developed by Latham and Locke (1979), highlights four mechanisms that connect goals to performance outcomes: (1) they direct attention to priorities; (2) they stimulate effort; (3) they challenge people to bring their knowledge and skills to bear to increase their chances of success; and (4) the more challenging the goal, the more people will draw on their full repertoire of skills. This theory supports the emphasis in performance management on setting and agreeing objectives against which performance can be measured and managed.

Control theory focuses attention on feedback as a means of shaping behavior. As people receive feedback on their behavior, they appreciate the discrepancy between what they are doing and what they are expected to do and take corrective action to overcome the discrepancy. Feedback is recognized as a crucial part of performance management processes.

Social cognitive theory was developed by Bandura (1986). It is based on his central concept of self-efficacy. This theory stipulates that what people believe they can or cannot do powerfully impacts on their performance. Developing and strengthening positive self-belief in employees is therefore an important performance management objective.

How an organization hires employees, train, develop, select for promotion, or separate its personnel are common questions in human resource management. These questions determine the success or failure, if not the survival of each organization (Bradley, 2014).

Organizational effectiveness (OE) has a number of names. For example, some scholars call it organizational success or organizational worth. Others use substitute names such as ability, accountability, efficiency, improvement, performance, productivity, and success. Others take organizational effectiveness for firm performance. Accordingly, researchers conceptualize organizational effectiveness (OE) as a function of rather several sub-concepts and variables such as (i) leaders' decision quality, (ii) participation, (iii) commitment/engagement, (iv) efficiency, (v) productivity, (vi) turnover, (viii) absenteeism, (ix) product service quality, (x) communication, (xi) influence, responsibility and accountability, and (xii) goal achievement among others (Abston and Scout, 2006).

A related-model by Szumal (2012) called Organizational Effectiveness Inventory (OEI) depicted that it was originally a survey by Cooke (1995, 1997) that aimed at measuring attitudinal and behavioral indicators of effectiveness (e.g., teamwork, motivation, and satisfaction). It also measures the internal factors and conditions (e.g., human resource management practices, leadership, and job design) that can directly and indirectly—through an organization's culture—impact effectiveness. The OEI was developed as a companion to the Organizational Culture Inventory (OCI; Cooke & Lafferty, 1983, 1994), a survey that assesses the normative beliefs and shared behavioral expectations which may reflect the more abstract aspects of culture, such as shared assumptions and values. However, the OEI is also a valuable tool in its own right for evaluating organizational effectiveness and directing and monitoring organizational change (all cited in Szumal, 2012).

As depicted by this OEI model, causal factors affect outcomes both directly and through an organization's operating culture. The causal factors that most directly influence culture and outcomes are structures, systems, technology, and skills/qualities. Accordingly, (a) structures describe the manner in which system components (such as people, tasks, and roles) are ordered and coupled to create organization (Anon, ND); (b) systems are the interrelated sets of procedures—such as human resource management, accounting, and quality control systems—an organization uses to support its core activities and solve problems; (c) technology includes the methods by which an organization transforms inputs into outputs; (d) skills/qualities refer to those demonstrated by the organization's members, including those in leadership positions; (d) mission and philosophy are also important causal factors, though their impact on culture and outcomes is more indirect than that of structures, systems, technology, and skills/qualities. Mission and philosophy represent the mechanisms by which organizations explicitly communicate their values to members. A clear and well-understood mission and philosophy statement is more likely to be consistently used (in making decisions about structures, systems, technology, and skills/qualities) than one that is unclear or not understood. To the extent that causal factors are aligned with the organization's values, the operating culture will more closely reflect the ideal culture and the organization will perform more favorably along outcomes. In

contrast, when causal factors are not aligned with values (either because the organization's mission and philosophy do not explicitly communicate its values or because the mission and philosophy are not used), the operating culture will be considerably different from the ideal and the outcomes realized will be less favorable (Szumal, 2012).

Thus, while the variables of this study heavily rely on the Organizational Effectiveness Inventory (OEI) model after Szumal (2012) and other theories such as goal setting and systems approach, the relationship is vividly clear in that it is all the goals and the system components that would potentially affect the endogenous variable which is organizational effectiveness, which in turn is the result of the goal achievement taken at the respective individual level, group level and organizational level effectiveness.

2.2 Empirical Studies on Effect of Leadership Competency on Organizational Effectiveness

Many scholars found out that there is a fundamental link between leadership competencies and organizational effectiveness. For example, Day (2009) states that leadership competencies enables organization achieve specific goals through team building by creating, and maintaining a sense of vision, culture and interpersonal relationships. The core functions of leadership competencies include valuing, visioning, coaching, empowering, team building, promoting quality and listening to the grievances raised by the team members.

Leadership competency influences leaders' performance and hence organizational effectiveness. Competencies are factors that contribute to superior individual and organizational effectiveness (Armstrong, 2009). Monari (2013) studied employee attributes, organizational factors, time management tendencies and employee performance in Chartered Universities in Kenya. Monari's findings established a relationship among employee attributes of satisfaction, empowerment, motivation, commitment, competence and employee performance as exhibited by effectiveness and efficiency.

Likewise, Social competences were also reported to have been influencing performance in academic institutions. Further, Nooraie and Arsi (2012) conducted a study on emotional intelligence and faculties' academic performance, it was found that social competence and individual competence had a positive effect on academic performance of faculty members. A study by Almajali et al. (2012) also found out that financial performance is a function of management competence. The study did not show which competencies leaders require in enhancing the performance of their organizations though. Using cognitive, functional, and social dimensions of employee competence, Ismail and Abidin (2010) investigated the impact of workers competence on their performance in the Malaysian Private Sector', and the outcome of the study showed that employees' competence had a positive influence on their performance and hence organizational performance.

On the other hand, according to Wayne, Liden, Graf, & Ferris (1997) and Ferris, Witt, and Hochwarter (2001), Interpersonal skills are the best single predictor of job performance ratings reported social skills as the single strongest predictor of performance rating dimensions of task performance, job dedication, and interpersonal facilitation, as well as for an overall rating of

return. Correspondingly, it was also reported that high performing employees were more skilled at communicating empathy, adapting their communication and managing interactions with others than lower performing employees (Payne, 2005; Riggo & Tylor, 2000). Further, Thach, Ismail, Jegak, & Idris (2008) study indicated that among all individual factors, social skill had the strongest contribution in explaining the extension workers' performance-sharing of knowledge among employees influences organizational performance.

In addition, a study on the relationship between the organizations human capitals and performance concluded that organizational performance could be improved through sharing of knowledge (Hsu's, 2008). Correspondingly, a study on the relationship between internal market orientations, relational competence and employee performance, resulted in relational competence facilitated relational behavior, intra-firm performance and inter-organizational performance (Carter and Gray's, 2007). According to these researchers, enhancement of both leaders' and organizational performance through improving organizations leadership and internal market orientation becomes possible. Functional competency affects performance in organizations. Earlier researches like one by Boyd (2003) found that successful extension workers should have strong technical knowledge and skill, meaning that employees are successful due to their competence in their work.

Studies also found that leadership competencies such as Intrapersonal competency, Interpersonal competency, Technical competency, Direction Setting competency, Career competency and mentoring competency were also found to have a positive and significant impact (Mikias, 2019). The research conducted at the National Centre for Public Administration and Local Government in UAE by Arfara and Samanta (2016) showed that self-awareness and self-regulation which are elements of intra and interpersonal skill are very important to achieve organizational effectiveness in the public sector.

Prati et al. (2003) cited by Arfara and Samanta (2016) stated that the ability to manage one's own emotion i.e., empathy positively affects the group cohesion, boost cooperation and the development of positive attitudes, which in turn affect the way the team members coexist and the group's effectiveness. Agha, Alrubaiee and Jamhour (2012) found out that the three dimensions of core competence i.e. shared vision; Cooperation and empowerment were significant in explaining organizational performance.

In summary, there are studies at international level that attempted to investigate into leadership and organizational effectiveness competency units and their interrelationship. These, however, are limited in the context of Ethiopia, though.

2.3 Conceptual Framework

The following constructs have been identified from among few available sources of both actual and sample conceptual framework by Taylor (2007), Szumal (2012), CSLCF (2015) and FDRE CSC (2020). On the output or dependent variable side, we have organizational effectiveness.

The aforementioned in many related studies are summarized as: Intrapersonal competency, Interpersonal competency, Technical competency, Direction Setting competency, Career competency and Mentoring competency (Mikias, 2019).

The second group included multilevel organizational effectiveness. These include: (i) Client Satisfaction, (ii) Individual Level Effectiveness, (iii) Group Level Effectiveness, and (iv) Organizational Level Effectiveness (Szumal, 2012).

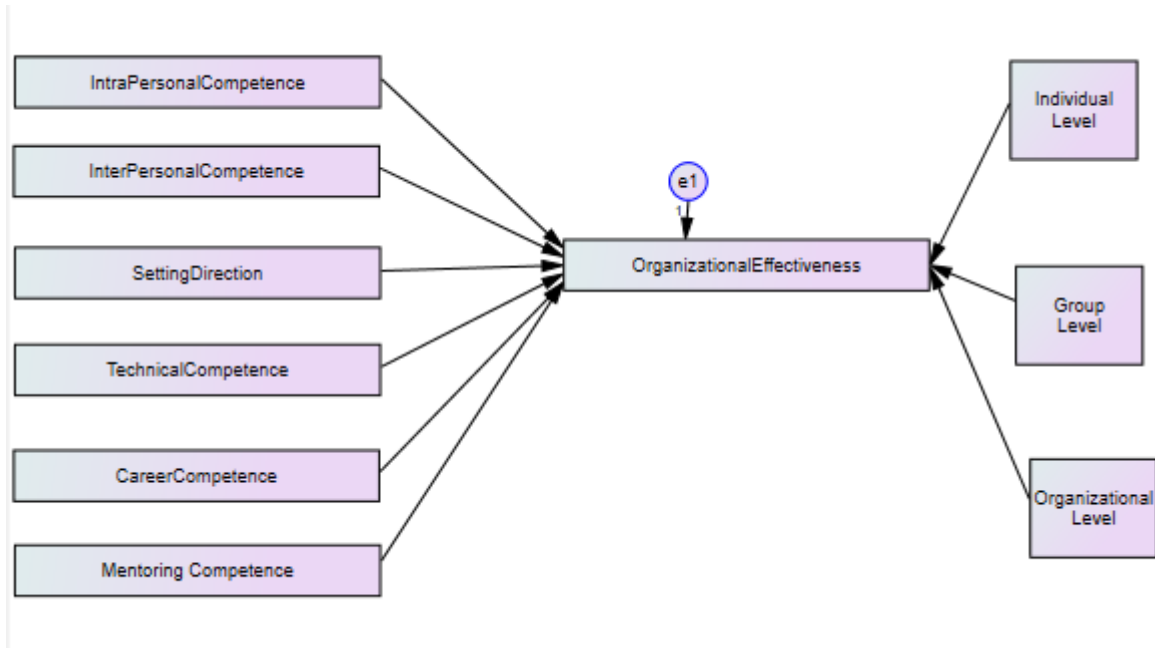


Figure 2.1 Conceptual Framework of the Study

Source: Based on Maxwell (2014) in Mikias, 2019, Szumal, 2012 and CSC 2022 –AMOS capacitated SPSS version 24

3. Methodology and Design

The present researchers employed mixed approach which is found appropriate for the specific topic under investigation. Accordingly, the study employed an explanatory design. Of the 125 total number of public service organizations (CSC, 2022); the researchers took 19 (15%) of them using simple random sampling technique of the lottery method. These 19 organizations have a total of 12,720 staff members (Own Survey, December, 2022). The present researchers took 10 percent of this number which is 1272 sample size.

These were chosen using multi-stage systematic and simple random sampling technique of the lottery method. The study employed both primary and secondary data. A five-point questionnaire in the form of Likert scale was employed. Besides, FGD was used to collect primary data. The secondary data for this study include books authored on competency framework, study reports (i.e., including those by the FDRE CSC), country experiences (i.e., both from local and international) level.

Reliabilities of the instruments were checked thoroughly. For the quantitative survey Cronbach's alpha was checked and the result was found to be 0.835; and hence it is well over the minimum standard which is 0.70 (Lance et al., 2006).

Reliability in qualitative research emphasizes on the reliability of the methods employed. The study needed to demonstrate to the reader that the methods used are reproducible and consistent in a manner that ensures an inbuilt procedure rather than external. The present study achieved this by comparing the nature of the data collected by the co-researchers. Then the qualitative data was analyzed using a narrative that accompanied the quantitative analyses.

Validity is the degree to which a test measures what it purports to measure (Creswell, 2009). This study adopted competency framework identification surveys by previous researchers. Besides, the instruments were distributed and commented before they were made ready for use. This study employed both descriptive and inferential statistical analyses techniques for the quantitative data. While means and standard deviations were used for the descriptive part, general multiple linear regression was used for the inferential analysis. The multiple linear regression analysis technique using SPSS version 24 was employed to examine if there existed a causality relationship between the independent variables (leadership competence units) and the dependent variable of the study which is organizational effectiveness.

The outputs of the data analyzed were presented using tables or diagrams. The data gathered through these different techniques were analyzed and interpreted using both qualitative and quantitative method.

The quantitative data obtained from questionnaire were coded, processed and analyzed by using suitable statistical software called statistical package for the social science (SPSS). Descriptive statistics such as percentage, frequency and measures of central tendency (mean, standard deviation) were used to summarize the responses.

Inferential statistics used to show the relationship between the independent and the dependent variables. A confirmatory Factor Analyses will be conducted and the multiple regression model would employ the following formula.

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e$$

Where: a =constant; β_1 =Intrapersonal competency; β_2 =Interpersonal competency; β_3 =Technical competency; β_4 =Direction Setting competency; β_5 =Career competency; β_6 =Mentoring competency; and e =error term.

Thus, the independent variable, leadership competency (intrapersonal competency, interpersonal competency, technical competency, direction setting competency, career competency and mentoring competency) together have a total of 43 indicators and, organizational effectiveness (individual level, group level and organizational level) effectiveness together have a total of 9 indicators, thus making an overall total of 52 in the 5 point Likert type scale.

4. Results and Discussion

4.1 Descriptive Analysis

This analysis was made based on the information from 1272 participants; and the FGD's in some of the respective 19 sample organizations. The five point Likert scale with 1= Not at all (NA); 2= Small extent (SE); 3= Moderate extent (ME); 4= Large extent (LE); and 5= Very Large extent (VLE).

A modern approach to determine the result of a Likert type Scale mean goes as follows. To determine the minimum and maximum length of the 5-point Likert type scale, the range is calculated by $(5-1=4)$. Then, when we divide the sum by 5 (i.e. as it is the greatest value of the scale), we get $(4/5= 0.80)$. Afterwards, number one which is the least value in the scale will be added in order to identify the maximum of this cell. Thus, the length of the cell can be logically determined as below.

Table 4.1 Frame based on common statistics

| Cell | Surveyed | Interpretation |
|-----------|-------------------------|---------------------|
| 1.00-1.80 | Not at all (NA) | Strongly disagree |
| 1.81-2.60 | Small extent (SE) | Do not Agree |
| 2.61-3.40 | Moderate extent (ME) | True to some extent |
| 3.41-4.20 | Large extent (LE) | Agree |
| 4.21-5.00 | Very Large extent (VLE) | Strongly disagree |

Source: The Researchers (Based on Hesse and Ofusu , 2017 and Mukherejee, Sinha and Chattopadhyay,2018))

The study depicted that there is a slightly higher than average rating between 3.175 and 3.62 score in all the six independent and the dependent variable. Hence, except the last which is Organizational level outcome all were rated between 3.35 and 3.62 which fall under the Agree (3.41-4.20) frame. This means that the sample respondents agreed that the leadership competencies of the leaders in FDRE Public service organizations to be in line with what the theories say. However, the respondents rated a moderate agreement level to two of the indicators Direction setting and organizational level outcomes with the respective ratings of 3.35 and 3.17. The overall leadership competency and the overall Organizational effectiveness ratings were 3.52 and 3.35 respectively on the continuous Likert scale a moderate extent agreement and the study displayed that the 3.44 slightly above moderate agreement rating was followed by a 3.17 and 3.35 organizational level outcome and organizational effectiveness respective moderate agreement ratings below the leadership competence ratings. The pattern clearly depicted that there is a relative skill gap in intergroup coordination.

Besides, the Likert item questions, respondents were asked to give their general comments on the leadership competency units' stipulated and on the individual, group and organizational level-effectiveness measures. Accordingly, while most respondents have appreciations to the leadership competency units identified; for example, one of the respondents stated as follows.

"All the six leadership behavioral competency units are essential to lead people in an organization. However, when I evaluate my immediate leader and other leaders in the organization, they do not have the entire competency at required level. Therefore, Leaders have to critically understand such competencies and develop skills related to them" GKMN, 2023).

While leadership competency units like communicates (i.e. communicates with employees and customers communication), work-knowhow (i.e. Have knowledge of the work), and commitment (i.e. Demonstrate commitment for the work) were found to be those points on which the leadership were rated relatively better (Agreement). The first is an interpersonal competence unit and the latter two are career competence units.

On the other hand, the interpersonal skill of Create (He has the ability to create new things), the Direction setting skill of Visioning (Have compelling vision); Inter Unit Coordination; and the...skill of Inter Unit Coordination (There is Inter-Unit Coordination in the organization) were found to have been rated as low as: 3.14, 3.14 and 2.89 respectively. It's worrying though to score low in such important competency unit as visioning.

4.2 Inferential Analysis

4.2.1 Correlation Analysis

Table 4.2 Correlation Analysis

| Correlations | | | | | | |
|--|----------|-----------|---------|-----------|---------|-------------|
| | OInterPC | OsettingD | OTechCP | OCareerCP | OMentCP | OAllOrgEffe |
| OInterPC | | | | | | |
| OsettingD | .875** | | | | | |
| OTechCP | .834** | .893** | | | | |
| OCareerCP | .796** | .830** | .897** | | | |
| OMentCP | .824** | .860** | .890** | .868** | | |
| OAllOrgEffe | .636** | .684** | .726** | .707** | .692** | |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | | | | |

Source: Researchers SPSS Generated

Overall, the preceding table shows positive and significant relationship between all the independent variables ($r > 0.692$). Besides, all the correlation coefficients between and among the independent variables are below 0.9 implying that the variables are not having problem of multicollinearity (Hair et al., 2006). Thus, it's possible to go for a reasonable computation of regression analysis.

4.2.2 Regression Analysis

Before the implementation of multiple regressions, assumptions, such as multicollinearity, outliers, normality, linearity, and independence of residuals were checked. All independent variables have tolerance and VIF value between 0.10 and below 10 respectively. Thus, the

multicollinearity check assumption was met to undergo regression analyses. Having met the aforementioned assumption the multiple linear regression analyses was made to test of hypotheses that follow. Let's run the correlation analysis as next.

Tests of Hypotheses

The study attempted to determine the effect of leadership competency on the overall organizational effectiveness of the FDRE public service. This was achieved by performing simple linear regression analysis to test hypothesis. The study tested the individual effect of each dimension of management competence and the composite of the seven dimensions, on the overall organizational effectiveness. Tables 4.3-4.8 present the findings of the analysis

H1. Intrapersonal leadership competency units have significant effect on organizational effectiveness in the Ethiopian public sector at federal level.

The results $r = 0.642$, implied a strong correlation between the independent variable (intrapersonal competence) and the dependent variable (Overall Organizational Effectiveness). The R-squared was 0.411; meaning that 41 % of the variation in Organizational effectiveness was explained by variation in intrapersonal competence. Other factors explained 59 %. The ANOVA results in Table ... next indicated that the model was statistically significant ($F = 888.927$, $p = .000$).

Table 4.3. Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|------------------------------------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|------|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .642 ^a | .412 | .411 | .62067 | .412 | 888.927 | 1 | 1270 | .000 |
| a. Predictors: (Constant), IntraPC | | | | | | | | | |

Table 4.4. ANOVAa

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|--------------------------------------|------------|----------------|------|-------------|---------|-------------------|
| 1 | Regression | 342.439 | 1 | 342.439 | 888.927 | .000 ^b |
| | Residual | 489.239 | 1270 | .385 | | |
| | Total | 831.677 | 1271 | | | |
| a. Dependent Variable: OverAllOrgEff | | | | | | |
| b. Predictors: (Constant), IntraPC | | | | | | |

H2. Interpersonal leadership competency units have significant effect on organizational effectiveness

The results $r = .623$, implying somehow weak correlation between the independent variable (interpersonal competence) and the dependent variable (Overall Organizational Effectiveness). The R-squared was 0.388; meaning that 39 % of the variation in Organizational Effectiveness

was explained by variation in interpersonal competence. Other factors explained 61 %. The ANOVA results indicated that the model was statistically significant ($F= 805.585$, $p. 000$).

H3. Technical leadership competency units have significant effect on organizational effectiveness.

The results $r =0. 708$, implying a strong correlation between the independent variable (Technical leadership competence) and the dependent variable (Overall organizational effectiveness). The R-squared was 0.501 meaning that 50.1 % of the variation in organizational effectiveness was explained by variation in Technical leadership competence. Other factors explained 49 %. The ANOVA results indicated that the model was statistically significant ($F= 1273.551$, $p.000$).

H4. Direction setting leadership competency units have significant effect on organizational effectiveness.

The $r =0. 665$, implying a strong correlation between the independent variable (Direction setting leadership competency) and the dependent variable (Overall organizational effectiveness). The R-squared was 0. 441 meaning that 44 % of the variation in Organizational Effectiveness was explained by variation in Direction setting leadership competence. Other factors explained 66 %. The ANOVA results indicated that the model was statistically significant ($F= 1004.237$, $p.000$).

H5. Career leadership competency units have significant effect on organizational effectiveness.

The $r =0. 684$ implying a strong correlation between the independent variable (Career leadership competency) and the dependent variable (Overall organizational effectiveness). The R-squared was 0. 468 meaning 49 % of the variation in organizational effectiveness was explained by variation in Career leadership competence. Other factors explained 51 %. The ANOVA results indicated that the model was statistically significant ($F= 1116.700$, $p.000$).

H6. Major mentoring leadership competency units have significant effect on organizational effectiveness.

The $r =0. 675$, implying a strong correlation between the independent variable (Mentoring leadership competency) and the dependent variable (Overall organizational effectiveness). The R-squared was 0. 455 meaning that 46 % of the variation in organizational effectiveness was explained by variations in intrapersonal competency of the leaders. Other factors explained 54 %. The ANOVA results indicated that the model was statistically significant ($F= 1060.876$, $p.000$).

H7. Overall leadership competency units have significant effect on organizational effectiveness.

The $r =0. 722$, implying a strong correlation between the independent variable (MentoComp, InteraPC, InterPC, CarComp, SetDire, TechComp) and the dependent variable (Overall leadership competency). The R-squared was 0.521; meaning that 52 % of the variation in Bank performance was explained by variation in intrapersonal competence. Other factors explained 48

%. The ANOVA results in Table 4.6 indicate that the model was statistically significant ($F=229.570$, $p=.000$).

Table 4.5 Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|--|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|------|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .722 ^a | .521 | .519 | .56102 | .521 | 229.570 | 6 | 1265 | .000 |
| a. Predictors: (Constant), MentoComp, InterPC, InterPC, CarComp, SetDire, TechComp | | | | | | | | | |
| b. Dependent Variable: OverAllOrgEff | | | | | | | | | |

Table 4.6 ANOVAa

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|------|-------------|---------|-------------------|
| 1 | Regression | 559.523 | 6 | 93.254 | 256.995 | .000 ^b |
| | Residual | 459.021 | 1265 | .363 | | |
| | Total | 1018.544 | 1271 | | | |

a. Dependent Variable: OAllOrgEffe

b. Predictors: (Constant), OMentCP, OIntraPC, OInterPC, OCareerCP, OsettingD, OTechCP

The overall multiple regression model was then given as next with the constant .883 and with an error term of .068.

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e$$

$$Y = .883 + .051X_1 + .033X_2 + .103X_3 + .320X_4 + .224X_5 + .110X_6 + .068$$

Table 4.7. Model Summary

| Model | | Unstandardized Coefficients | | Standardized Coefficients |
|-------|------------|-----------------------------|------------|---------------------------|
| | | B | Std. Error | Beta |
| 1 | (Constant) | .883 | .068 | |
| | OIntraPC | .048 | .042 | .051 |
| | OInterPC | -.030 | .039 | -.033 |
| | OsettingD | .094 | .047 | .103 |
| | OTechCP | .297 | .053 | .320 |
| | OCareerCP | .199 | .041 | .224 |
| | OMentCP | .095 | .041 | .110 |

Let's now compare the findings of the present research with the few available related findings in the past. The information from the descriptive study has a little variation from what the causality findings depict in that inter and intra personal communication competencies yielded in more robust scores as compared with direction setting leadership competency for instance.

In the regression analyses, however, the direction setting competence was found to be relatively the highest predictors of overall organizational effectiveness of the Ethiopian public sector at federal level. The study results in regards to direction setting competence was ($R^2 = 0.55$,

$F= 256.995$, $\beta=.94$, $t=1.979$, $p < 0.05$), followed by technical, career and mentoring leadership competencies. While this finding aligns to a study by Mikias (2019), there is a variation in interpersonal leadership competencies which yielded in -0.030 beta coefficient; and in intrapersonal leadership competencies. However, test of statistical significance for both the inter- and- intrapersonal were not robust and $p>.05$. It may require further investigation.

Hence, while goal setting and situational theories were showing harmony to the present findings, such theories as systems approach might need some variation to be further checked.

The qualitative data analysis result from both FGD and document analyses implied that the independent variables identified somehow pretty well measure organizational effectiveness while at the same time mentioning the fact that there may exist other similar variables including but not limited to developing followers' leadership competencies.

5. Summary, Conclusion and Recommendations

5.1 Summary of Major Findings

As described in the forgoing, the study attempted to examine the effect of leadership competency on the overall Organizational Effectiveness the FDRE public sector at federal level. The study collected data from 1272 leaders and public servants. Accordingly, the study found the following.

- The descriptive study depicted that there is a slightly higher than average rating between 3.175 and 3.62 score in all the six independent and the dependent variable.
- The overall leadership competency and the overall Organizational effectiveness ratings respectively were 3.52 and 3.28 respectively on a continuous
- The table also displayed that the 3.28 slightly higher than average Perceived Organizational Effectiveness rating is further followed by a 3.44, 3.44 and 3.17 respective individual, group and Organizational level Effectiveness.
- The descriptive analyses depicted that there is a relative skill gap in Inter-Unit Coordination in the organization.
- The Overall leadership competency units have significant effect on organizational effectiveness.
- The regression model depicted a strong correlation between the independent variable (MentoComp, InteraPC, InterPC, CarComp, SetDire, TechComp) and the dependent variable (Overall Overall leadership competency) (See Tables 1-5). The R-squared was 0.521; meaning that 52 % of the variation in Organizational Effectiveness of the FDRE public sector at federal level was explained by variation in the leadership competency units identified by the present research(See Tables 20).. The ANOVA results in Table 21 next indicated that the model was statistically significant ($F= 229.570$, $p.000$) (See Tables 21).
- Other factors explained organizational effectiveness by 48 percent. While, both the quantitative and qualitative data may seem silent on this, the literature had to say a lot on this including the need to include such supplementary measures of leaders' competencies as on job observations, interviews interalia.

- The qualitative data from the FGD aligned more to the regression analyses than the descriptive study which implied that the competency units identified positively explain the organizational effectiveness.

5.2 Conclusions

On the whole, the results of this study indicated that while the leadership competence and organizational effectiveness were only rated moderate. The overall leadership competency units (MentoComp, InteraPC, InterPC, CarComp, SetDire, TechComp) have been found to have significant effect on organizational effectiveness. About 52 percent of the variation in the dependent variable (overall organizational effectiveness of the FDRE public sector at federal level) was caused by the independent variables (MentoComp, InteraPC, InterPC, CarComp, SetDire, TechComp). Other factors explained organizational effectiveness by 48 percent. The leadership competency units identified by the FDRE Civil Service Commission Task Force somehow coincide with those under this study with a potential others to be added including developing others leadership competencies for instance.

5.3 Recommendations

- The overall leadership competency units identified though found very much working need be implemented with such other crucial tools of assessment as on job observations, interviews interalia.
- Competency units, such as team spirit need be emphasized in competency assessment endeavors of leaders at all levels.
- The FDRE Civil Service Commission should look for supplements to the usual paper and pencil type test which as per the present study could manage to cover about only 52% of the explanation.
- Future research should focus on investigating these competency units by the level of leadership Top, Middle and Lower.
- Hence, future researchers are advised to study for none-leaders (employees) in general.

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