

The Link between Leadership Style and Leadership Effectiveness in the Public Universities of Ethiopia

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Abstract

This study explored the links between leadership styles and leadership effectiveness using a correlational research design. A total of 616 academic staff members drawn from five public universities were included using proportionate stratified and simple random sampling techniques. Data were collected using Multi-factor Leadership Questionnaire and analyzed using descriptive and inferential statistics. The results unveiled the domination of laissez-faire leadership style than the transformational and transactional styles in public universities. The results further unveiled that transformational leadership had high and significant correlations with all the leadership outcome measures of employees' extra effort, perceived leadership effectiveness and finally staff satisfaction, while transactional leadership had moderate and significant relationships with employees' perceived extra effort and staff satisfaction, but moderate and non-significant relationship with perceived leadership effectiveness. Besides, laissez-faire leadership style had low and non-significant relationships with all the three measures of leadership outcomes. Finally, the findings indicated that 55.8 % of the extra effort, 59.9 % of leadership effectiveness, and 53.9% of perceived staff satisfaction were explained by the three leadership styles. Policy directions are also forwarded in the study towards the end.

Keywords: leadership style, leadership behavior, leadership effectiveness, job satisfaction

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Background of the Study

Leadership is a complex, multifaceted process concerned with the art of influencing followers in a particular direction which involves casting a vision, goal setting and motivating people (Spendlove, 2007). For Nourthouse (2013), however, leadership is a process whereby an individual influence a group of individuals to achieve a common goal.

Karagöz and Öz (2008) described that study on organizational effectiveness has been started in the 1930s, but various contemporary approaches were developed in the 1970s. According to Rojas (2000), organizational effectiveness has been the widely researched topic by many researchers. For instance, a study by Luftman, Bullen, Liao, Nash, and Neumann (2004) has suggested that leaders motivate and help their employees by using effective leadership styles to be competitive. Waldman, Ramirez, House, and Puranam (2001) have also reported that transformational leadership behaviors are more positively related to subordinate effectiveness in a variety of organizational settings than are transformational behaviors. Organizational effectiveness largely depends on the effectiveness of its leadership. Yair and Jonathan (2005), for instance, argue that effective leadership is a key predictor of organizational success. Leadership effectiveness can be measured in a variety of ways. Leaders are considered effective when their groups perform well against set standards. Basham (2012) further elucidates that traits that define leadership are included in either a group or individual category. Leaders in higher education institutions have to examine how to better lead their organizations, and must also find the most effective leadership approach (Kennedy, 1994). Bryman (2007) further proposes that leadership in higher education is expected to maintain autonomy, consultation and fostering a culture of collegiality. Collegiality refers to opportunities for members in the university to feel that they belong to a mutually respected community of scholars who value each other's contributions to the institution and feel concern for their colleagues' wellbeing (Gappa et al., 2007). Cameron (1978) and Karagöz and Öz, (2008) described that various effectiveness approaches and models have been developed but unfortunately few studies have been done on organizational effectiveness in higher education context. Among these studies, Linda et al., (1983) examined the concept of organizational effectiveness in institutions of higher education. There are many factors which may affect the effectiveness of leadership. Among the factors leadership style is one. According to Nourthouse (2013), leadership style consists of the behavior pattern of a person who attempts to influence others. It is a pattern of behavior that leaders use when they are

working with and through other people, as perceived by those people (Hersey, Blanchard & Johnson, 1996).

In general terms, the empirical study of leadership formally began in the early 1930's (Alimo-Metcalfe & Alban-Metcalfe, 2001). Most of these studies on leadership paid more attention to leadership effectiveness and came up with different leadership theories: the traits theory of the 1940s (Bass, 1990) to the 1980s theories of transformational and transactional leadership (Burns, 1978).

As a result of debates and research efforts conducted to find out the constituencies of leadership effectiveness, different theories have been developed in the field of leadership. Different sources classify leadership theories into four categories, namely: personality or trait, behavior, contingency or situational, and transactional and transformational theories.

Trait Theories

This theory is the oldest approach to studying leadership which assumed that some traits and skills can predict whether a person will attain positions of leadership and be effective in these positions. Personal attributes include humor, courage, judgment, integrity, intelligence, persistence, hard work, vision, and being opportunity conscious. They also include interpersonal abilities that include being open, building teams, and being compassionate, and technical management skills, which include producing results, resolving conflicts, analyzing and evaluating problems, shaping the work environment, and being goal oriented (Vaughan, 1986, Yukl, 2006). This early theory views that leaders are born and not made. Hundreds of trait studies conducted during the 1930s and 1940s sought to discover these qualities, but failed to find any traits that would guarantee leadership success (Northouse, 2013).

Behavioral Style Theory

The behavior approach began in the early 1950s due to researchers' dissatisfaction with the trait approach that focus only on one aspect of leadership, i.e. the traits of the leader and ignores context and style. This theory began to examine patterns of leader's behavior and came up with leadership styles such as democratic or autocratic, permissive or restrictive and participative or non-participative (Richmon & Allison,2003). Three widely known studies of classic behavioral theories of leadership were conducted at the University of Iowa, Ohio State University, and the University of Michigan, all in the United States of America.

Situational Theories

The situational theory came into being due to the failure in behavioral theory that ignores the disposition and abilities of the follower. Hence, situational theory was developed by Hersey and Blanchard in 1969 and it was revised different times later (Northouse, 2013). This theory focuses on leadership within given situations and states that different situations require different styles of leadership which a leader has to adapt to his/her specific style to fit the situation (Northouse, 2013).

Transactional and Transformational Theories

The theory of transformational and transactional leadership is one of the most comprehensive leadership theories of organizational change. The term Transformational Leadership was first coined by Downton (1973); however, its emergence did not really come about until James Burn's classic, *Leadership* (1978), was published. While Bass (1985) refined and introduced them into the organizational context Tichy and Devanna (1986) have also proposed a theory of transformational leadership a year after Bass. Transformational leadership and the emphasis of transformational behavior have become the sole dominant paradigm over the past years (Kennedy, 1994; Tourish, 2008). Leaders are portrayed as heroes (Slater, 1999; Kanter, 2003) and are encouraged to transform the faithfulness and behaviors of their staff through a shared organizational culture.

In his efforts to explain transactional leadership, Burns (1978) states politicians lead by exchanging one thing for another. Similarly, transactional business leaders offer financial rewards for productivity or deny rewards for lack of it (Bass & Riggio, 2006).

Transformational leaders, on the other hand, are those who stimulate and inspire followers to both achieve extraordinary outcomes, and, in the process, develop their own leadership capacity. They also help followers grow and develop into leaders by responding to individual followers' needs, by empowering them and by aligning the objectives and goals of the individual followers, the leader, the group, and the larger organization (Bass & Riggio, 2006). Besides, transformational leaders motivate others to do more, set more challenging expectations and tend to have more committed and satisfied followers. On top of this, they empower followers and pay attention to their individual needs and personal development, helping followers to develop their own leadership potential (Bass & Riggio, 2006).

Transactional leadership emphasizes the transaction or exchange that takes place among leaders, colleagues, and followers as explained above. Transformational leadership, however, raises leadership to the next level by

inspiring followers to commit to a shared vision and goals for an organization or unit, challenging them to be innovative, problem solvers, and developing followers' leadership capacity via coaching, mentoring, and provision of both challenge and support (Bass & Riggio, 2006).

According to some studies such as Bass (1985) and Pawar and Eastman (1997), certain transformational qualities are appropriate for leading the change process during the time of organizational change. For instance, Bass (1985) states that transformational leadership is better in non-routine situations while Pawar and Eastman (1997) state that organizations are more receptive to transformational leadership during the time of adaptation. When there is a realization that the old ways no longer work, transformational leaders undertake the task of developing an appealing vision of the future. A study by Tichy and Devanna (1990) further disclosed that transformational leaders engage in the change process with different phases: recognizing the need for change, creating a new vision, and institutionalizing it.

According to Avolio, Bass and Jung (1999) and Bass and Riggio (2006) transformational leadership is typified as being consisted of interrelated behavioral components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

The Full Range of Leadership model also includes several components of transactional leadership behavior, along with laissez-faire behavior. According to Bass and Riggio (2006), transactional leadership depends on Contingent Reward (CR), and Management by Exception (MBE), which is either passive or active.

Laissez-faire leadership (LF): laissez-faire leadership is the avoidance or absence of leadership and is, by definition, most inactive, as well as most ineffective according to almost all research on the style (Bass & Riggio, 2006). According to Bass and Riggio (2006), in contrast to transactional leadership, laissez-faire represents a non-transaction where necessary decisions are not made, actions are delayed, responsibilities of leadership are ignored, and authority remains unused.

Leadership Styles and Outcomes of leadership

Leadership effectiveness is a topic that continues to engender considerable attention in both the popular and scholarly literature (Waldman et al., 1987). Developing an understanding of what constitutes effective leadership, however, has been a complex undertaking. According to Abujarad (2011), in order to assess leadership effectiveness many different types of outcomes have been used, including the performance and growth of the leader's group or organization, its

preparedness to deal with challenges or crises, follower satisfaction with the leader, follower commitment to the group objectives, the psychological well-being and development of followers, the leaders' possession of high status in the group, and their advancement to higher positions of authority in the organization. In most cases, the effectiveness of a leader is measured based on three major outcomes: extra effort, effectiveness, and satisfaction (Bass & Avolio, 2000).

Extra effort refers to the willingness to exert additional effort by followers to do more than they are expected, to heighten desire to succeed and increase willingness to try harder (Bass & Avolio, 2000). Bass (2000) further elaborates extra effort as leaders' ability to increase followers' desires to succeed and willingness to try harder. The willingness of doing work for more upsurges sense of urgency to achieved organizational goals and targets.

Extra effort of followers is measured by their tendency for stronger effort, achievement beyond what is expected of them and ample enthusiasm for success. Leaders who make prodigious use of transformational leadership can manage extra effort through understanding, utilization and management of emotions. Shamir et al. (1998) and House et al. (1988) reported that transformational leadership is followed by extra efforts of the followers for achieving organizational goals.

Effectiveness refers to how subordinates or followers perceive the leader's effectiveness in meeting others' job-related needs, effectiveness in representing their group to higher authority, effectiveness in meeting organizational requirements and leading a group that is effective. The two characteristics that are most central to these expectations are task-relevant competence and trustworthiness. For Bass (2000), effectiveness refers to how satisfied followers are with their leaders and their job.

Transformational leadership is characterized by great talent for arousing the followers and it results in effectiveness. According to Bliss (2005), leaders with high emotional intelligence are more effective and that transformational leadership enables them to make effective decisions. Other researchers, for instance, Caruso et al. (2002), and Palmer et al. (2001) reported in their findings that transformational leadership is related to effectiveness.

Satisfaction refers to subordinates' satisfaction with a leader's methods of working with others (Bass & Avolio, 2000). It is leaders' abilities to lead an effective group and meet the followers' job-related needs (Bass, 2000). Ramey (2002) in his research came up with a significant relationship between job satisfaction and

transformational leadership behavior of leaders. Wong and Law (2002), on their part, found that transformational leadership has a relationship with employee's satisfaction. However, research efforts carried out to examine the links between leadership styles and institutional effectiveness in the higher education institutions are very limited and scanty in the Ethiopian context. This calls for the need to carry out this empirical study.

Statement of the Problem

Universities are complex organizations. They have goals, hierarchical systems and structures, officials that carry out specified duties, leadership, and routine bureaucratic administrations for handling the day-to-day work. Universities are people-processing institutions (Cohen & March, 1974). Clark (1983) further discusses the complexity of higher education attributed to structural differentiation, and academic professionalism, where the academic specialize their interests and commitments in flared range of subjects and institutions.

On top of this, Cohen and March (1974) explain that highly qualified professionals working in universities usually: demand work autonomy and freedom from supervision; base their work on their skills and expertise; have strong tensions between professional values and bureaucratic expectations that can intensify conflict between professional employees and organizational leaders; demand peer evaluation of their work; feel only colleagues can judge their performance, and reject the evaluations of non-colleague leaders, even if those leaders are technically superior in the hierarchy.

According to Sifuna (2012), leaders are not recruited and awarded for their leadership potential but for their academic qualifications, research, teaching and community service and rarely receive critical training in strategic planning, budgeting, human resource development and faculty management in most African universities. This is also true to public universities in Ethiopia where leadership competencies of the leaders assigned at the top leadership positions are paid less heed during selection, recruitment and assignment to these posts.

Although much emphasis was given to develop higher education institutions by the Ethiopian government, the institutions' poor working systems hindered to produce higher level qualified manpower needed to achieve the overall development objectives of the country. In this regard, Teshome (2005, pp. 11-12) states that "... the need to transform higher education through relevant expansion, improving the system's efficiency and effectiveness ... required the commitment and competence of the leadership of the entire endeavor of change." The author further underlined that, higher education in Ethiopia, particularly its leadership, is

required to commit its time and energy necessary to improve the existing traditional trends in the higher education system to actively involve and transform the country's development goals. Ashcroft (2004, p. 37) further notes the need for transformation in the higher education institutions in Ethiopia and states that "... once a formula has been developed for teaching and learning, the values within it will change."

The above discussions indicate the need to improve the leadership effectiveness of universities and the importance of transforming the existing institutional culture of the public universities so as to implement the envisaged changes.

Hence, effective leaders ought to pay more attentions to their leadership styles which may affect employees' satisfaction on their job (see also Fernandes & Awamleh, 2013 and Emery & Barker, 2007). In most cases, the effectiveness of a leader is measured based on three major outcomes from leadership styles including: extra effort, effectiveness, and satisfaction (Bass & Avolio, 2000). However, the extent to which university leaders are effective and faculty members' perception of their leaders' effectiveness are not studied and documented. Hence, this study tries to investigate the links between leadership styles and outcomes of leadership as perceived by the academic staff in the public universities of Ethiopia.

The study is guided by the following key questions:

1. What is the perception of the academic staff on leadership effectiveness in public universities?
2. Is there any relationship between leadership styles of leaders and their perceived leadership effectiveness as rated by the academic staff in public universities?

Delimitation of the Study

Leadership in public universities could be analyzed at least at three levels: top university leadership (presidents and vice presidents), middle level university leadership (college, faculty, institute, center), and lower level university leadership (departments or units). This study looks into academic staff's perception of top-level university leadership styles and their effectiveness in the implementation of transformation and does not include the lower level leadership echelons although they are very close to these positions. Dess and Picken (2000) further argue that top level leadership style is an important determinant for organizational transformation.

Methodology

A correlational research design of the quantitative approach is used in the study to examine if there are significant relationships between leadership styles and leadership effectiveness in public universities as perceived by the academic staff. Correlational research design involves collecting data to determine whether, and to what degree, a relationship exists between two or more quantifiable variables.

Sampling Techniques

Currently there are 44 public universities categorized into four generations based on their ages of establishment. This study considered the first two generations comprising 20 public universities of which five (i.e. Haramaya University, Jimma University, Wollo University, Dilla University and Jig-Jiga University) were randomly selected and included as samples since it is easy to observe well established leadership in the older institutions than in the younger ones. The sample respondents for the study were drawn from the total of 12,824 academic staff in these universities. In correlational studies of such kind, Stephen Olejnik recommends a sample size of 616 at 0.7 statistical power and .05 alpha with a small effect size (Gall, et.al., 1996) and it is drawn from the above five sample universities. The number of sample respondents from each university was determined proportionally and selected using a three-stage sampling. Each sample university was first divided into faculties or institutes at stage one and representative faculties were selected, while the selection of sample departments from each sample faculty was carried out at stage two. Finally, the selection of individual respondents from each sample department was carried out at stage three. In all cases simple random sampling procedure was used since it gives every individual the same probability of being selected and the selection of an individual in no way affects selection of another individual.

Data Gathering Tools

The data for the study was collected using Multifactor Leadership Questionnaire (MLQ) with additional bio data of respondents to examine the relationships between leadership styles and leadership effectiveness in universities. Multifactor Leadership Questionnaire (MLQ) is a standardized questionnaire developed by Bass (1995, p. 1998) to measure the dominant leadership styles used by leaders in various organizations. The MLQ 5X short is a 45-item questionnaire that measures transformational leadership, transactional leadership and laissez-faire leadership using a five-point Likert Scale. Numerical values are given for each of the responses for the leadership factors. The values are as follows: 4 = to a very great

extent, 3 = to a great extent, 2 = to a moderate extent, 1 = to a slight extent and 0 = not at all. In this study, the MLQ 5X, which is others-report measure of leadership style and leader effectiveness, was used to analyze the academic staff's perception of their top university leaders' styles. The internal validity of the MLQ for the three styles of transformational, transactional and laissez-faire was 0.78, 0.81 and 0.83 respectively.

Variables of the Study

In this study leadership style of transformational, transactional and laissez-faire leadership styles were the independent variables while the leadership outcomes of extra effort, effectiveness and satisfaction were the dependent variables.

Transformational leadership style in this study refers to a leadership style that inspires people to achieve unexpected or remarkable results as rated by respondents using a MLQ.

Transactional Leadership style in this study refers to a leadership style that emphasizes results, stay within the existing structure of an organization and measures success according to that organization's system of rewards and penalties as rated by respondents using a MLQ.

Laissez-faire leadership style in this study refers to a leadership style where there is no leadership as rated by respondents using a MLQ. Extra effort refers to the willingness to exert extra effort by followers to do more than they are expected to do, heighten desire to succeed and increase willingness to try harder as rated by study participants using MLQ.

Effectiveness refers to how subordinates or followers perceived the leaders' effectiveness in meeting others' job-related needs, in representing their group to higher authority, in meeting organizational requirements and lead a group that is effective as rated by respondents using MLQ.

Satisfaction refers to subordinate's satisfaction with leaders' methods of working with others as rated by respondents using MLQ.

Data Analysis

Data was analyzed using the Statistical Package for Social Science (SPSS- 22) to run all basic descriptive and inferential statistics. Accordingly, the first part of the questionnaire on the background information of respondents was analyzed and interpreted using a descriptive analysis such as percentages. Mean ratings were used to identify the dominant leadership styles and leadership effectiveness as rated by respondents.

Multiple regression was used to analyze the relationship between multiple independent variables and dependent variable. Accordingly, the links between each of the leadership styles (transformational, transactional and laissez-faire) and leadership outcomes were analyzed using this method. The strength of relationships between independent variables and each of the dependent variables were measured with the help of Pearson's product moment correlation (r) where a correlation coefficients (r) between 0 to $\pm .35$ was interpreted as weak or low; between $\pm .36$ to $\pm .65$ considered as a moderate and greater than $\pm .65$ was considered as strong relationship (Gay, Mliis & Airsan,2009).

ANOVA was used to examine if there were statistically significant differences between the independent variables in predicting each dependent variable in the study. The SPSS ANOVA was used to provide a summary of variance for regression to indicate if there was a significant relationship between the independent and the dependent variable.

Still further, an independent t-test was used to examine if there was statistically significant relationship observed between each dependent and independent variable in the study. It was used in this study to assess each variable's unique contribution to the prediction of the dependent variable.

Results and Discussions

The majority of the academic staff participated in the study were males whose age falls in the category 20 to 40 and who served from 1 to 10 years; most of them with academic ranks of lecturers. The number of senior staff participated in the study was very few as their number in the sample universities might be low as compared to others.

Dominant Leadership Style of Top University Leadership

Table 1: Dominant Leadership Style in the Public Universities

Leadership Styles	N	Mean	Std. Deviation
Transformational	529	1.98	.76
Transactional	529	1.92	.74
Laissez faire	529	1.92	.89
Valid N (list wise)	529		

As the data from Table 1 above on the leadership style of top university leaders shows, transformational leadership style was rated 1.98 by respondents while transactional leadership style was rated 1.92 and finally, laissez-faire leadership style was rated 1.95. However, according to Bass (1998), the most expected leadership scores from the MLQ are over 3.00 for the transformational scale, about 2.5 for the transactional scale, and under 1.00 for the laissez-faire leadership style. Based on the author’s suggestion one could say that top university leadership style was found to be very far from being transformational and that of transactional but a little bit closer to laissez-faire in their leadership style as rated by the academic staff. However, in the higher education context a blend of both transactional and transformational leadership is recommended (Basham, 2012). The author further argues that while transformational skills are highly recommended for their vision and sense of mission, transactional skills focusing on the exchange of work for various types of rewards are critical.

Table 2: Mean Ratings on Leadership Outcomes

	Extra Effort (EE)	Effectiveness (E)	Satisfaction(S)
Mean	1.90	1.93	1.91
N	517	519	519
Std. Deviation	1.09	1.03	1.10
Missing	13	11	11

As it is indicated in Table 2 above, all the three leadership outcomes measuring leadership effectiveness were rated below average (which is 2.00). This indicates that the existing leadership effectiveness was very low in the public universities.

The Link between leadership Style and Perceived Leadership Effectiveness

As clearly indicated in table 3 below, $F(3,513) = 216.169, p < 0.05$ the multiple regression was significant indicating that extra effort was significantly determined by the three styles of transformational, transactional and laissez-faire leadership. Similarly, the t-values in the table show the contribution of each of the variables. Accordingly, transformational and transactional leadership styles were found to significantly affect extra effort since ($p < 0.05$) while the effect of laissez-faire

leadership style is not significant ($p > 0.05$). What is more, the data in Table 3 indicates that the R^2 value of .558 depicts the amount of variance of the criterion variable accounted for by the combination of the three independent variables. This also indicates that 55.8 % of the extra effort was explained by the three leadership styles.

Table 3: Leadership Extra Effort Regression

Multiple $R^2 = .558$		R=.				747	
ANOVA Table							
	Sum of Squares	df	Mean Square	F	Sig.		
Regression	342.076	3	114.025	216.169	.000 ^b		
Residual	270.599	513	.527				
Total	612.675	516					
Variables in the Equation							
Variables	r	B	Std. Error	Beta	t	Sig.	
Constant		-.082	.102		-.802	.423	
Transformational Leadership	.743	1.170	.059	.812	19.903	.000	
Transactional Leadership	.456	-.131	.067	-.089	-1.969	.049	
Laissez-faire Leadership	.144	-.034	.042	-.028	-.821	.412	

a. Dependent Variable: Extra Effort (EE)

Data in Table 3 further shows that, the strength of the relationship between transformational leadership style and employees' perception of extra effort was

high where $r = .743$ and $t = 19.903$ and was significant ($p < 0.05$). It suggests that there was a significant relationship between transformational leadership style of top university leaders and employees' extra effort perception of the academic staff in the public universities. Extra effort deals with the leaders' ability to increase followers' desires to succeed and willingness to try harder (Bass, 2000). Leaders who make great use of transformational leadership can manage extra effort through understanding, utilization and management of emotions. Shamir et al. (1998) and House et al. (1988) also reported that transformational leadership is followed by extra efforts of the followers for achieving organizational goals. The result of the analysis is therefore consistent with the literature.

As can be witnessed from data in Table 3, the strength of relationship between transactional leadership style and employees' perception of extra effort was moderate where $r = .456$ and $t = -1.969$ and was significant since ($p < 0.05$). This further indicates that there was a significant relationship between transactional leadership style and employees' extra effort perception of the academic staff. The transactional leader uses rewards and coercion to motivate followers to comply with the leader's demand (Burns, 1978). Subordinates' effort is exchanged for provisions of rewards; the latter may have the form of recognition from work accomplished, bonuses or merit increases. In such working environment contingent on conditions, it would be clear therefore to expect employees to put their extra effort. The result of the analysis also shows this fact as it comes up with significant relations between the two in the public universities.

Data in Table 3 further elucidates the strength of relationship between laissez-faire leadership style and employees' perceived extra effort was low or weak where $r = .144$ and $t = -.821$ and was not statistically significant ($p > 0.05$). It suggests that there is no statistically significant relationship between laissez-faire leadership style and employees' extra effort perception in public universities. The laissez-faire leader avoids providing direction and support, shows lack of active involvement in follower activity, and abdicates responsibilities by maintaining a line of separation between the leader and the followers (Bass, 1996). Hence, the finding of this study is consistent with the existing literature.

Table 4: Leadership Effectiveness Regression

Multiple R ² = .599					R = .774	
ANOVA Table						
	Sum of Squares	df	Mean Square	F	Sig.	
Regression	328.889	3	109.630	256.948	.000 ^b	
Residual	219.730	515	.427			
Total	548.619	518				
Variables in the Equation						
Variables	r	B	Std. Error	Beta	t	Sig.
Constant		-.070	.092		-.766	.444
Transformational Leadership	.772	1.122	.053	.823	21.242	.000
Transactional Leadership	.493	-.099	.060	-.072	-1.662	.097
Laissez-faire Leadership	.179	-.006	.037	-.005	-.167	.867

a. Dependent Variable: Effectiveness (E)

As clearly shown in Table 4, $F(3, 515) = 256.948$, $p < 0.05$ shows that leadership effectiveness is significantly determined by the three styles of transformational, transactional and laissez-faire. In a similar vein, the t-values in the table show the contribution of each of the variables where transformational leadership style was found to significantly affect employees' perception of leadership effectiveness ($p < 0.05$) while both transactional and laissez-faire leadership styles were not since ($p > 0.05$). The data in the table further indicates that the R² value of .599 illustrates the amount of variance of the criterion variable accounted for by the combination of the three independent variables. This also indicates that 59.9 % of the leadership effectiveness was explained by the three leadership styles.

The data further shows the strength of relationship between transformational leadership style and employees' perception of leadership effectiveness which was high where $r = .772$ and $t = 21.242$ and was significant ($p < 0.05$). It indicates that there was a significant relationship between transformational leadership style and employees' perception of leadership effectiveness. Leadership effectiveness refers to leaders' abilities to lead an effective group and meet the followers' job-related needs (Bass, 2000). Yukl

(2002, p. 253) also showed that, “with transformational leadership, the followers feel trust, admiration, loyalty, and respect toward the leader, and they are motivated to do more than they were originally expected to do.” The finding in this study is, therefore consistent with the literature.

Data in Table 4 illustrates the strength of relationship between transactional leadership style and employees’ perception of leadership effectiveness which was moderate where $r = .493$ and $t = -1.662$ and was not statistically significant ($p > 0.05$). It shows statistically no significant relationship between transactional leadership style and employees’ perception of leadership effectiveness in the public universities. Transactional leaders work within their self-interest to meet their immediate needs or the needs of the organization (Bass, 1995). Such leaders are seen negatively by their followers and the finding from the study is therefore consistent with the literature.

The strength of relationship between laissez faire leadership style and employees’ perception of leadership effectiveness indicated in the table was low where $r = .179$ and $t = -.167$ and was not statistically significant ($p > 0.05$). That is to say there was no statistically significant relationship between laissez faire leadership style and employees’ perception of leadership effectiveness in the public universities. According to Avolio and Bass (1991), laissez-faire leaders delay and appear indifferent to what is happening with their followers. They avoid taking stands on issues, don’t emphasize results, refrain from intervening, and often fail to follow-up (Bass, 1996). The finding from this study also corroborates the same.

Table 5: Leadership Satisfaction Regression

Multiple $R^2 = .539$	R=					.734
ANOVA Table						
	Sum of Squares	df	Mean Square	F	Sig.	
Regression	343.253	3	114.418	200.773	.000 ^b	
Residual	293.491	515	.570			
Total	636.744	518				
Variables in the Equation						
Variables	r	B	Std. Error	Beta	t	Sig.
Constant		-.083	.106		-.780	.436
Transformational Leadership	.729	1.186	.061	.808	19.429	.000
Transactional Leadership	.441	-.163	.069	-.109	-2.366	.018
Laissez-faire Leadership	.150	-.014	.043	-.012	-.331	.741

a. Dependent Variable: Satisfaction(S)

As clearly put in Table 5, $F(3, 515) = 200.773$, $p < 0.05$ shows that the perceived staff satisfaction is significantly determined by the three styles of transformational, transactional and laissez-faire leadership. Similarly, the t-values in the table show the contribution of each of the styles where transformational and transactional leadership styles were found to significantly affect perceived staff satisfaction ($p < 0.05$) while laissez-faire leadership style was not ($p > 0.05$). In addition, Table 5 indicates that the R^2 value of .539 depicts the amount of variance of the criterion variable accounted for by the combination of the three independent styles. It indicates that 53.9 % of the perceived staff satisfaction was explained by the three leadership styles.

The strength of relationship between transformational leadership style and perceived staff satisfaction indicated in Table 5 was high where $r = .729$ and $t = 19.429$ and was significant ($p < 0.05$). Bass (1985) has found strong correlations between transformational leadership behavior and increased job satisfaction for followers. The finding from the current study is also in line with the literature.

Data in Table 5 further designate, the strength of relationship between transactional leadership style and perceived staff satisfaction which was moderate where $r = .441$ and $t = -2.366$ and was significant ($p < 0.05$). This confirms that there was a significant relationship between transactional leadership style and perceived staff satisfaction. According to Bass (1985), transactional leaders' response to the subordinates' immediate self-interests is exemplified mainly by contingent reward behavior, according to which leaders assign a secure agreement on what needs to be done and what rewards followers can expect, should they fulfill this agreement. This sense of direction the leader provides to the subordinates can be seen as a source of motivation for them to do their job well and be committed to their work organization. In such conditions, academic staff's satisfaction perception in public universities is expected. Therefore, the result from this study is also in harmony with the results of similar studies.

As can be seen in Table 5, the strength of relationship between laissez faire leadership style and perceived staff satisfaction was low where $r = .150$ and $t = -.331$ and was not statistically significant ($p > 0.05$). It means there was no statistically significant relationship between laissez faire leadership style and perceived staff satisfaction in the public universities. As it is stated by Bass (1985), laissez-faire leaders are accorded less respect by followers where productivity, group cohesiveness, and feelings of satisfaction are diminished. Thus, the finding of this study is consistent with the existing literature.

Conclusions

This study investigated the links between leadership styles and employees' perceived leadership effectiveness in university setting in Ethiopia. Nine relationships were examined to see the leadership effectiveness as measured by leadership outcomes of the MLQ and rated by academic staff. The findings of the study showed that all the three variables of extra effort, effectiveness and perceived staff satisfaction were explained or determined by the three leadership styles of transformational, transactional and the laissez-faire with higher percentages: staff satisfaction with 53.9 %, extra effort with 55.8 % and finally leadership effectiveness with the highest percentage of 59.9 %. These results indicate the centrality of the leadership styles in creating effectiveness in the universities.

The data analysis further revealed that out of the total nine relationships examined, five of them were found to have significant relationships. Particularly transformational leadership had high and significant relations with all the leadership outcome measures of employees' extra effort, perceived leadership

effectiveness and finally staff satisfaction; transactional leadership had moderate and significant relationships with employees' perceived extra effort and staff satisfaction, but moderate and non-significant relationship with perceived leadership effectiveness; laissez-faire leadership style had low and non-significant relationships with all the three measures of leadership outcomes although it was perceived as the most dominant style in today's public universities in Ethiopia.

Transformational leadership style's high linkage with all the three measures of leadership outcomes in this study indicates academic staff's preference for the style, which the data clearly indicates. With transformational leadership style followers feel trust, admire and respect their leaders, and are motivated to do more (Yukl, 2002). This framework of the links between leadership styles and employees' perceived leadership outcomes could also serve as a model for institutional leaders who plan to match their leadership style with perceived effectiveness of their leadership.

Some authors such as Bass (1995) distinguish between two types of laissez-faire leaders: those who totally avoid leadership through shrinking responsibilities by burying themselves in paperwork, avoiding subordinates, setting no goals, and letting things drift and those whose subordinates are self-motivated, achievement oriented, highly independent and may not need the intervention other subordinates do. Hence, one may expect the second to be true in the public universities since they work with highly qualified, matured, sometimes better qualified and experienced staff than their leadership. The question that remains to be addressed here is: do we really need such leadership style to be used in these universities during this time of change and transformation?

The domination of the laissez-faire leadership style used by top university leadership than the other two styles of leadership, which the findings of the study revealed, is critical as it indicates absence of leadership at top levels in public universities in Ethiopia that contradicts with the suggestions offered by leadership researchers where a combination of transformational and transactional leadership styles are more effective.

Higher education institutions, including public universities, are embarked on massive change and transformation. Lack of leadership or change agents at top level in public universities, which the mean ratings on the leadership styles of the leaders in the study indicated, hinders the effective implementation and success for the change. The literature on leadership has often argued that transformational leadership is generally effective in organizational change. It is a relevant leadership behavior in any change situation, which, in turn, will lead to successful change implementation.

Leaders at the top hierarchy are responsible to make their followers put extra effort towards the implementation of change. They are expected to develop a sense of satisfaction and be perceived as effective in their leadership by their followers. As evidenced from the findings of this study, it was only transformational leadership that had high relationship with employees perceived extra effort, perceived satisfaction and perceived leadership effectiveness of the three leadership styles except transactional leadership that had moderate relationship with employees' perception of extra effort. The transactional leadership result is not particularly surprising since the main thrust of this style is to gain expected results by giving the subordinates previously agreed rewards for their extra efforts. Particularly, the laissez-faire leadership style, which is a dominant leadership style in today's public universities identified in this study, had no significant relationship with employees perceived extra effort, perceived satisfaction and leadership effectiveness. This shows academic staff's preferences for transformational leadership than the other leadership styles to be an effective style of leadership in today's public universities in Ethiopia.

Policy Implications

To a large extent, the Ethiopian government and the public universities assign the responsibility of implementing change and providing guidance to their followers to the top leadership who are change agents. The findings of the present study suggest key implications for top university leadership selection, promotion, and development practices. Therefore, from these arguments there are two important actions to be considered by top policy and decision makers to bring the existing laissez-faire leadership style of top university to effective leadership style in the public universities. Hence, the government ought to take care in the selection and recruitment of top university leadership. Besides, the Ministry of Science and Higher Education (MoSHE) needs to design different leadership development strategies for top university leaders through capacity building schemes that includes designing short term leadership training programs and experience sharing visit schemes focusing on the leadership of higher education institutions for top university leaders.

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