

**St. MARY'S UNIVERSITY COLLEGE
FACULTY OF BUSINESS
DEPARTEMENT OF MANAGEMENT**

**ASSESSMENT OF LEADERSHIP PRACTICES
(THE CASE OF MINSTRY OF FEDERAL AFFAIRS)**

BY

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**Feb, 2012
ADDIS ABABA**

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CHAPTER ONE

INTRODUCTION

1.1 Back Ground of the Study

Leadership attracts universal attention in politics, economics and organizations of human kind. It is also a topic in the fields of management and in real life as well. Historians, philosophers and social scientists have attempted to understand and explain leadership for centuries. Many of the world's most famous thinkers have theorized about how people lead one another. (Hocliman and Janenons 2004:2)

Leadership is all around, as we get up in the morning, open the news papers, turn on the radio or television and discover what actions leaders and over the world have taken. We attend classes, work and interact in social groups all with their own distinct patterns of leadership. (Hocliman and Janenons, 2004:2)

Leadership is getting people to increase commitment and desire to do what to be done. This helps to see their worth and potential in themselves those motive them to share the success of their lives or organizations. (Stephen, 2004: 219)

The ministry of federal affairs was established under proclamation number of 256/2001 with the powers to maintain peace and order in cooperating with the regions to facilitate the resolution of inter-state misunderstanding, and to give assistance to the regions with special attention to the four emerging regional states, namely Afar, Benishagul, Gambella and Somali regional state since they were not at equal development as other regional states through affirmative action.

The minister has embarked on an organizational reform, a business process reengineering and organized its structures in to ten business processes (four core and six support processes). There are also three federal executive bodies accountable to the ministry namely; the Federal Police, Federal Prisons Administration and Ethiopian Mine Action Office. The major core process areas of the Ministry are Accelerated Development Directorate, Conflict Prevention and Resolution Directorate, Intergovernmental Relation Directorate and Religion and Faith Affairs Directorate. The support processes of the

ministry include Plan and Finance Directorate, Management Support Office, Women's Affairs Office, Audit and Inspection Office, Change Management Office and Public Relations Office.

In 2005, however, the powers and duties of the ministry were redefined under proclamation No.471/2005. Accordingly, the ministry was given two additional powers.

The first one is the authority to coordinate and integrate supports of the federal organs in areas of good governance, capacity building and poverty reduction to the emerging regional states, namely Afar, Somali, Bensishangul Gumuz and Gambella. This has its root in the regulation proclaimed to establish the federal board.

The other power regarding this matter is straight forward responsibility of creating good federal state relations. The proclamation gives the ministry the mandate to serve as focal point in creating good federal - regional relationship and cooperation based on mutual understanding and partnership, and there by strengthen federals system Article 21(6) proclamation No 471(2005).

So, Federal Affairs Ministry needs to be structural well. Currently the ministry has 281 skilled and semi unskilled permanent employees. On the five year strategic plan, the ministry plans to have 427 qualified employees to execute the planned activities.

1.2 Statement of the Problem

The natures of organizations in which we work have a powerful impact within which the leadership sets its motive to each stakes of the organization. Coming to public organizations, the role of central government especially the federal affairs institution in a federal country, the top executive body and politicians have to develop and set political and management cultures within the organization so as to create trust by giving personal, team and system empowerment through focusing in creating passion to mobilize the individual talents and commitments with a shared power so as to engender organization capacity to manage changes.

The researcher had been working in the Federal Affairs Ministry for the internship practice for two months. During various times of the internship practice, the researcher could informally observe some lack of commitments among employees of the organization and some workers seemed dissatisfied with their jobs. There has been a tendency to simply blame the managers or the professional for what is wrong with public agencies, but it is important also to understand the structures, systems and cultures they inhibit because these things can help identify the basic causes of or sources of the blames. However, the researcher believed that this preliminary assessment was not enough to conclude that, hence decided to conduct a research about this within the institution.

1.3 Research Questions

This study attempts to answer the following questions:

- Do the employees have trust on the top management of the organization?
- Are the employees satisfied in their jobs within Federal Affairs Ministry?
- What is the awareness level of the employees about the leadership direction of the organization?
- Is the current leadership system flexibility and fast in managing risks and changing situations?
- Does the current leadership style mobilizes and considers individual comments and talents in reforming organizational systems?
- What is the actual leadership approach manifested in the organization?

1.4 Objective of the Study

1.4.1 General Objectives

The general objective of this study is to assess the leadership practices at the Federal Affairs Ministry Office.

1.4.2 Specific Objectives

- 1) To study the employees' trust and commitment on the top management of the organization.
- 2) To assess the employees' job satisfaction level with the top management of the organization.
- 3) To study the awareness of the employees about the leadership direction of the organization.
- 4) To evaluate the flexibility and fast of the current leadership system in managing risks and changing situations.
- 5) To investigate the current leadership style in mobilizing and considering individual comments and talents in reforming organizational systems.
- 6) To identify the actual leadership approach manifested in the organization.

1.5 Delimitation of the study

This study has assessed the leadership practices by the top-management and employees of the office of Federal Affairs Ministry that is found in Addis Ababa. Moreover, due to time, cost, and easier data management; the research has limited itself to study the trust status of employees on top management, job satisfaction level, awareness status about leadership direction of the institution, evaluate the flexibility the leadership and consideration of individual comments and talents in reforming organizational system. In addition to this the assessment period of the research was during April 2011. Out of the top management officials who were considered in the study, individuals who are in the Ministry level (Deputy Minister, Minister and beyond this position levels) are not incorporated in the study due to the difficulty of accessing them for the research purpose. Rather, the other top management members are taken in to account.

1.6 Significance of the Study

In addition to being as a primarily requirement in the partial fulfillment of bachelor degree for the researcher, the results of the study may initiate others for further study on similar cases. Moreover, based on the findings of the research, it would be important in order to forward suggestions that may enhance: the trust of employees of the organization on their top managements, the employees' job satisfaction and improve their understanding about the leadership direction of the Federal Affaire Ministry. Likewise, in due course, the study is expected to add new insight to the leadership practice of the organization understudy and serve as a significant document for the office of Federal Affairs Ministry and other organizations.

1.7 Research Design and Method

There are different ways of approaching a research, but for the researcher to explain and to draw conclusion both qualitative and quantitative approach were used. The method applied in this research was a survey study based on primary and secondary data. The primary data was collected by using questionnaire. Secondary data was observed from various documents. A descriptive research approach was utilized because it focuses on describing the characteristic of different groups.

1.8 Sample Design and Sampling Techniques

The target population of this study was the employees found in the office of Federal Affairs Ministry where their total number was 281. The probability sampling technique has been used to collect the necessary data from them. There are about 22 total number of Managers, directorates, and other top management members. On the other hand, there are 259 number of common workers (employees) within the Federal Affairs Ministry organization in Addis Ababa.

Using the stratified random sampling technique, all the workers of the organizations that are without position in the top management, were stratified in to 13 categories based on their departments. Then, using the proportional stratified random sampling approach i.e.

with regarding the total numbers of the employee without position category stated above, 30 % from each department were taken as samples in this study.

On the other hand, out of the existing 22 number of employees with position in the top management (such as: managers, directorates, and other members of the top management), 12 of them were available and taken as respondents in the study.

1.9 Sampling Frame

Table 1.1: Sampling frame of the study

No	Stratified based on without employee position	Population	Sample size 30% each
1	Ministry office	7	2
2	Accelerated directorate	64	19
3	Conflict prevention and resolution directorate	8	2
4	Inter government relation directorate	12	4
5	Religion and faith affaire	8	2
6	Plan and final directorate	20	6
7	Management support staff	108	32
8	Women's affair	7	2
9	Audit and inspection office	3	1
10	Change management office	5	2
11	Public relation office	5	2
12	Information communication center	6	2
13	Early warning and response	8	2
	Sub-total	259	78
14	Censes based on with position	Population	Censes
15	Employees with position i.e. managers, directorates, and other members of the top management	22	22 (But only 12 were available)
	Total employees	281	90

Out of the total 259 common employees without position, 78 of them were taken as respondents by taking 30 percent of the employees from each department. And, out of the 22 employees with positions, 12 of them were available and taken as respondents. Hence

all in all, out of the total 281 employees of the institutions, a total of 90 individuals were taken and considered in the research.

1.10 Types and Method of Data Collection

Both qualitative as well as quantitative data types were utilized when collecting and analyzing the data. The available data were grouped into two categories: -

- I) Primary Source: a firsthand data/information that was collected from sample respondents through a semi-structured questionnaire from the employees with and without position in the Federal Affairs Ministry.
- II) Secondary source: a secondary data/information was collected from brochures, published and unpublished documents, as well as electronic source from the Internet have been used.

In the case of the primary source; liker scale and verbal frequency scale were utilized for their simplicity and effective ways of measuring sample respondents' agreement or disagreement towards a question. Besides, Dictums questions (like, Yes/No) were also used as sorting devices of subsequent questions of the questionnaire and interview. During collecting the data through the questionnaire and interview, the researcher himself was engaged during the collection which has taken six days.

1.11 Data Analysis Method

A descriptive analysis method has been used in the process of transforming the collected raw data into a form that can make them easy to understand, interpret, rearrange order and manipulate so as to provide descriptive information. Different types of tables and graphs are widely utilized to analyze the data.

Both qualitative and quantitative approaches were used when processing as well as analyzing the collected data in order to reduce unmanageable data. In the case of quantitative approach, the statistical analyzing method of mean and percentages are

utilized in some quantifiable major findings of the study. Besides, Ms-Word and Ms-Excel, computer software were used when processing and analyzing the collected data. Moreover, the qualitative data were also analyzed using content analysis method and summarized thematically in order to keep the views of the interviewed people as much as possible and open-ended questions of the questionnaire.

1.12 Limitations

It was about 22 individuals expected to be considered from the top management members, but 10 of them were not available due to being busy even though a repetitive attempts to contact them were done. Accordingly, only 12 top management members were available and validly provided their genuine responses or information concerning the study. Therefore, conclusions of this study could be somewhat affected because enough number of respondents from the top management members were not part of the data or information collected and then analyzed.

CHAPTER TWO

RELATED LITERATURE REVIEW

2.1 Definitions and Concepts

Leadership among the various definitions of leadership in different literatures, one is, it is the act of transmitting value standards to employees which most of them then follow/use in the performance of their work. Thus we say that they have been "led" in the direction of those standards. Leadership is one side of the coin called values, the other side being follower-ship (Delery, 1998).

How is this leadership, these value standards, communicated to employees? It is through their every day experiences. In the main, these experiences come from whatever support the boss has provided employees such as tools, direction, training, parts, procedures, advice, documentation, information, rules, planning and discipline. Each of these experiences reflects a standard for one or more values. The employee detects these standards, combines them with all previous experiences and then uses the resultant standard as how to do their work; how industriously, neatly, knowledgeably, caringly and respectfully (Settoon, et al, 1996).

Leaders can choose to lead in a good direction or a bad direction. Actually, a full spectrum exists from exceptionally bad to exceptionally good. Every manager will by his or her actions lead in some direction within this spectrum. This direction may not be understood or chosen, but that is irrelevant, because the direction is always the leaders' choice, whether or not he/she realizes it (Porter et al., 1974).

Leadership versus Management: Although some managers are able to influence followers to work toward the achievement of organizational goals, the conferring of formal authority upon a manager does not necessarily make that individual a leader. Yes, that individual has authority, but whether or not they are able to influence their subordinates may depend on more than just that authority (Rosseau, *et al.*, 1998).

Not all leaders are managers, and similarly, not all managers are leaders. Within a team environment, manager and leader are simply roles taken on by members of the team. Most teams require a manager to "manage" -- coordinate, schedule, liaise, contact, organize, and procure their affairs. The functions of this role may well be quite different from those of the leader (to motivate followers towards the achievement of team goals). Management roles need not presuppose any ability to influence. A leader, on the other hand, must have the ability to influence other team members (Ibid).

Job Satisfaction: Job satisfaction is defined as “a pleasurable or positive emotional state, resulting from the appraisal of one’s job or job experiences” (Mowday, et al, 1979). Job satisfaction is an affective or emotional response toward various facets of one’s job. Most scholars recognize that job satisfaction is a global concept that also comprises various facets (Ibid).

Organizational Commitment: Organizational commitment may be defined as the relative strength of an individual’s identification with, and involvement in, a particular organization. Commitment represents something beyond mere passive loyalty to an organization. It involves an active relationship with the organization, such that individuals are willing to give something of them in order to contribute to the organization’s well being. Hence, commitment could be inferred not only from the expressions of an individual’s beliefs and opinions but also from his or her actions (Mowday, Steers, and Porter, 1979).

Commitment can be characterized by at least three factors: (a) a strong belief in, and acceptance of, the organization’s goals and values; (b) a willingness to exert considerable effort on behalf of the organization; and (c) a strong desire to maintain membership in the organization (Porter et al., 1974).

Trust: in senior management is defined as the willingness of employees to act on the word, actions or decisions of senior management under conditions of uncertainty or risk. The emerging role of trust is a perfect focus for those interested in the dynamics of

organizations because trust sits at the boundary of psychology and sociology (Tyler, 2003). Trust in management refers to the psychological contract established between individuals and organizations based on the messages an employee receives regarding organizational expectations and employee perceptions of desired managerial actions (Rosseau, *et al.*, 1998). There would be mutuality in organizations when there is a general perception that the interests of management and that of employees coincide. When an employee perceives such mutuality she or he is likely to trust management and invariably demonstrate a high level of commitment to the organization. This notion of mutuality is closely associated with the concept of commitment (Delery, 1998).

Management and employees are interdependent and both parties obviously benefit from this interdependence. Mutuality means that management is concerned with the well being of employees as well as the success of the organization, and employees are just as concerned with the success of the organization as their own well being. Trust is a key because it enables cooperation and again there is the strong desire to understand how to create effective cooperation within organizations (Tyler, 2003).

2.2 Trust of Employees on Top management

Top management refers to the group of persons at or near the top of the organizational chart (McCauley and Khunert, 1992). The trust between top management and their employees is not interpersonal in nature, but is rather seen as originating from the structured relations, roles and the rules of the organization.

According to McCauley and Khunert (1992), as a means of assessing the extent to which they could trust the management, the employees persistently monitor the organizational environment. Employees will reciprocate trust relations communicated by management only if the organizational structures, roles and climate reflect a trustworthy system. Alternatively, if they represent a lack of trust in employees by top management, employees will react with a similar lack of trust.

Creating trust can appear to be a daunting task, especially in the workplace where multiple responsibilities call for significant attention and leaders have a limited amount of time to devote to each of their activities. However if one activity, successfully accomplished, could be proven to make all other tasks significantly easier then it would be worth the effort to focus on building trust in relationships with employees (Elis and Shockley-Zalabak, 2001).

Creating a culture in which employees can say, “this place is great” requires that leaders and managers throughout an organization base their relationships with employees in actions that promote and develop trust. Leaders in particular need to reinforce the culture by communicating to people about the long-term benefits of creating an organization culture that is based in trust. Consistency between the communication and actions of leaders develops their credibility in the eyes of employees (Bigley and Pierce, 1998).

Rotter (1980) argues that in a great organization, the development of trust also needs to go beyond the leaders at the top and be reinforced in the daily interactions among people throughout the organization. Managers who are treated with respect by senior leaders will in turn be able to share that respect with employees by supporting their professional development, soliciting their ideas and caring for them as human beings. Moreover, Mooradian et. al., (2006) added that the practice of fairness – in efforts to promote pay equity, fair hiring practices, and justice regardless of personal characteristics – is also fundamental to insuring that trust will flourish in an organization’s culture.

The benefits that come from a high level of trust include a spirit of cooperation that is ever present in great workplaces along with a deep sense of commitment to the mission, vision and values of the organization. Likewise, cooperation and commitment play out in people’s daily actions and their willingness to contribute to the long-term success of the organization (Robinson and Rousseau, 1994).

There is a singular role that leaders play in securing employee commitment to their vision for the future. Leaders in great workplaces should actively involve in communicating

their ideas, answering questions and engaging in discussion to insure that employees are knowledgeable about the direction of the organization and thus able to make a clear, strong commitment to the future. Robinson, (1996) added that Leaders also serve as role models of cooperation through their own actions. Their visible cooperation with others confirms the strategic importance of cooperative work for the implementation and attainment of the company's vision. These are people strategies at their best, and of course that's what we find and document in the Best Companies – trust, cooperation and commitment creating a great workplace at the top of its game.

Many researchers believed that high trust organizations are better financial performers. High trust brings with it fluidity to collaboration and idea-sharing, a confidence in management's vision for the future, and a belief in the fundamental fairness with which people will be treated that all contribute to the successful coordination of activities and output that make an enterprise successful. Mooradian et. al., (2006) also argued that high levels of trust will lead to high levels of cooperation among employees and across work groups, and to high levels of commitment to an individual's work and the organization as a whole.

In the 100 Best Companies, employees are more likely to experience effective two-way communication, as competent and believe that managers and leaders are reliable and act with integrity. In particular, management's ability to deliver on promises and act in ways that are consistent with what they have said shows a 34% boost in positive response from employees at the 100 Best Companies relative to those in the 100 Lower Trust group (Elis and Shockley-Zalabak, 2001).

Best Company employees also indicate that they are involved in collaborative decision-making activities to a much greater degree than are employees in the applicant pool companies. Employees often are invited in to decision-making activities or have their ideas solicited by managers and responded to sincerely (Ibid).

At Best Companies, employees also develop a deeply rooted set of beliefs that they will be treated fairly during critical decision making times involving pay, promotions, job assignments and the handling of grievances. These Fairness markers provide tremendous benefits to companies looking for employees to make long term commitments to their organizations, as it is through a sense that one can be successful over the long term within a group that one's personal investment in and commitment to the group deepens (Ibid).

2.2.1 Trust in Immediate Supervisor and Trust in Co-workers

As opposed to trust in top management, which is more impersonal (i.e. less dyadic) in nature, trust in supervisor and trust in co-workers highlights an interpersonal or dyadic form of trust (Costigan, Ilter and Berman, 1998), which emanates from the assessment of personal characteristics and behavior of these referents.

Traditionally studies have focused mainly on supervisory trust (Elis and Shockley-Zalabak, 2001). More recently, however, trust in co-workers has gained more significance because of the extensive movement towards self-managed work teams. The success of self-managed teams is contingent on cooperation and teamwork, and research evidence indicates that trust in peers can play a crucial role in fostering interpersonal cooperation and in developing effective team relationships (Jones and George, 1998).

All three forms of situational trust can have vital consequences for the organization. More specifically, trust in leadership (i.e. top management and immediate supervisor) is likely to result in positive outcomes directed towards the supervisor (such as job performance) and the organization (such as organizational commitment); whereas, trust in co-workers might lead to positive outcomes for the co-workers such as sharing information with co-workers and helping co-workers in need of assistance (Dirks and Skarlicki, 2004).

2.2.2 Trait Trust or Propensity to Trust

Trust propensity or trait trust is commonly viewed as the general willingness to trust others (Mayer et. al., 1995). Rotter (1980) argues that people differ in their propensity to trust others. Life experiences, personality types, cultural background, education and

several other socio-economic factors determine one's propensity to trust (Mayer et. al., 1995). Individuals with a high propensity to trust believe that most people are sincere, fair and have good intentions (Mooradian et. al., 2006).

In contrast, people who have a low propensity to trust, see others as self-centered, conniving and potentially dangerous (Mooradian et. al., 2006). McKnight et. al., (1998) argue that trust propensity has recently acquired more importance because cross functional teams, structural re-organizations and joint ventures create new working relationships more frequently. This is because an individual's trust propensity is likely to be the most significant trust precursor in novel, uncertain or unstructured situations prior to the availability of information about the trustee (Bigley and Pierce, 1998).

2.2.3 Work Engagement and Trust in Top Management

The first dimension in Mishra's model is *competence*. When employees recognize that the top management has the skilful insight and ability to augment the growth and productivity of the organization by making competent decisions, it would give them increased assurance of a more profitable future with the organization (Spreitzer and Mishra, 2002). In such a situation employees are bound to concentrate on the work that needs to be done, rather than feel concerned about such issues as the sustainability of their future employment (Mayer and Gavin, 2005). Complete focus and concentration on job tasks, in turn, may transform into work engagement (Kahn, 1990).

As opposed to this, if the employees perceive top management as ineffectual and strongly feel that under them the organization has a bleak future they would invariably become pessimistic about their own future in the organization. Consequently, they are likely to experience a sense of uncertainty, stress and apprehension, which in turn can result in disengagement from work.

The reliability aspect of trust postulates that the top management will deliver on their promises. However, if the employees realize that the top management has been unsuccessful in fulfilling its promised inducements, it would lead to a loss of trust and would tantamount to a breach of the psychological contract (Robinson, 1996). An

infringement or violation of the psychological contract surfaces when one party in a relationship recognizes another to have failed to execute promised commitments (Robinson and Rousseau, 1994).

When employees experience a contract violation, their sense of fulfillment with both the job and the organization is bound to diminish (Robinson and Rousseau, 1994). It may become increasingly difficult for employees to feel encouraged enough to perform satisfactorily when they can no longer rely on promised incentives (Robinson and Rousseau, 1994). In such circumstances employees are likely to disengage from work (Schaufeli and Salanova, 2007).

Hence, in order to develop and cultivate work engagement it is vital that the top management delivers on its promises and endeavors to create a suitable psychological contract, which should depict an “optimal fit” between the employee and the organization in terms of common expectations (Ibid).

Openness is the approach through which the top management can ensure a free flow of communication with their employees; this is achieved by not withholding vital information that is essential for building trust between the two. When employees believe that the top management is communicating organizational issues candidly, it reduces insecurity or uncertainty amongst them (Mishra and Sprietzer, 1998). This is because such vital information gives the employees a clearer idea about the aims and motives of the top managers. Such practice would ensure that employees would be able to freely focus on working towards achieving their work related goals rather than being constantly preoccupied by feelings of mistrust and doubt. Being ‘fully there’ psychologically when at one’s job and being totally absorbed in one’s work activities in turn should invariably lead to enhanced work engagement (Kahn, 1990).

Furthermore, such open access to information pertaining to the mission of an organization helps to build a stronger sense of meaning and purpose for the employees by equipping them with a greater understanding of how their own work can contribute to the organizational aims and objectives (Schaufeli and Salanova, 2007). When employees

experience a sense of meaningfulness and purpose in their job, their work motivation is likely to strengthen which may consequently result in greater work engagement (Mayer, et. al., 1995).

In contrast to this open work environment, the top management's decision to conceal key organizational information and keep employees in the dark would obviously promote feelings of suspicion, anxiety and insecurity, which could result in disengagement from work (Ibid).

Finally, the top management's understanding and concern for their employees, is clearly mirrored by the policies and procedures carried out by them. It is suggested that based on the norm of reciprocity in social exchange (Blau, 1964), when employees recognize that policies and procedures adopted by top managers are clearly focused towards promoting and enhancing their well being, they are more likely to repay the organization with higher and stronger levels of work engagement (Saks, 2006). Saks (2006) suggests that immersing oneself more completely into one's work roles and dedicating greater amounts of cognitive, emotional and physical resources to one's job is a very insightful manner for individuals to respond to the resources and rewards provided by their organization.

2.3 Key Factors needed for Employees' Satisfaction

Motivating employees can be one of the biggest challenges as member of a top management. Constant pressure to increase effectiveness and efficiency, productivity, profitability, and revenue growth can often overshadow the importance of how an unengaged workforce can negatively affect corporate performance (Colquitt, et al, 2007).

As suggested by Blau (1964), keeping employees motivated and satisfied is the key to maintaining a productive, successful business and got tasks efficiently done. Managers must find ways to motivate employees and make them want to live up to their full potential. To do this effectively, managers need to understand what motivates employees within the context of their respective roles.

Did you know that money is often not the biggest motivator for an employee? A survey of Dietz and Den Hartog, (2006) found that only 15% of employees left their jobs because of inadequate salary and benefits. The same study also found that of those who left their jobs:

- 30% were unhappy with management and the way they were managed
- 25% felt they received no respect for good work
- 20% complained of limited opportunities for advancement
- 15% cited inadequate salary and benefits
- 5% were bored with the job
- 5% cited other reasons (retirement, career change, sabbatical, travel)

Blau (1964) said that many companies use employee assessments to help them with employee motivation strategies that make employees want to live up to their full potential. This provides better results as each employee's reason for working is unique. Addressing each individual's needs in the organization will create a highly motivated workforce that strives for the best as a whole.

Trust in top managers is critical to employee satisfaction. However, few senior managers make the effort to create trust and job satisfaction. A study conducted by Bakker and Demerouti, (2007) indicates that among 65,000 employees in a range of organizations, the results were devastating i.e. only 10% of employees surveyed agreed that senior executives were aware of their concerns.

Colquitt, et al (2007) commented that workers of today want:

- participation in workplace decisions of their organizations
- better sharing of both good and bad news
- managers who are sensitive and responsive for their tasks and employees
- more of a partnership with managers than the old 'command and control' approach
- freedom to balance life and work – less stress
- the opportunity to work in self-managing teams
- a regular face to face discussion of issues with frontline supervisors and managers

2.4 Main risks an Organization may face

The main risk facing any company or organization is the stochastic, i.e. the randomness, of the real world. This implies that regardless of any meticulously laid plans for the future, this future will always be uncertain, and no plan will be able to guarantee a certain outcome (Bengtson, 2001). Uncertainty takes on many forms: a rise or fall in the raw material prices due to shortages or surpluses, uncertain lead times, uncertain government constellations, and hence regulations in foreign countries, breakdown or failure of a major production facilities, labor union issues and last but not least, the known and the yet unknown competitors, to name but a few (Gerwin, 1993).

2.4.1 How to meet risk and uncertainty

Robustness and flexibility are tools for meeting uncertainty, and robustness analysis is a way of supporting decision making when there is uncertainty about the future. Robustness is the ability to accommodate any uncertain future events or unexpected developments such that the initially desired future state can still be reached. Flexibility is the ability to defer, abandon, expand, or contract any investment towards the desired goal (Rosenhead, 2002).

Dixit and Pindyck, (1994) pointed out that flexibility and robustness are two sides of the same coin, yet at the same time two distinctively different animals. Being robust does not necessarily entail being flexible and being flexible does not necessarily entail being robust. If robustness can be compared to how you dress to meet different weather conditions, then flexibility can be compared to your ability to switch between walking, running, cycling, driving your car, or whichever mode of transport you choose. As Ku (1995) puts it, flexibility is the inherent capability to modify a policy to accommodate and successfully adapt to such changes, whereas robustness refers to the ability to endure such changes.

Flexibility and robustness should be seen as tools, or options if you so wish, in attitude towards risk. Gerwin (1993) describes how robustness and flexibility can be used to reduce uncertainty or adapt to it. Note that the distinction between reduction and

adaptation clarifies the difference between robustness and flexibility. Robustness reduces uncertainty because necessary steps are taken to minimize the (unwanted) effects of uncertainty. Flexibility does not minimize the effects but (simply) adapts to it. Flexibility means the ability to change or react when necessary (Ku, 1995); robustness means the absence of a need to change or react (Ibid).

2.4.2 Managing the Unexpected

Not knowing the outcome of future events makes the management of risks seem impossible. However, the use of risk management tools can provide the knowledge needed to empower management to seemingly do the impossible. Risk management tools can help greatly minimize the potential negative effects of some organization's risks (Al Decker, 2006).

When enterprise risk management (ERM) is utilized effectively, information is shared across all levels to avoid most surprises. The greater awareness, in turn, creates confidence for corporate executives and stakeholders (Wallace, 2003).

According to Al Decker (2006), management should be prepared to develop the following procedures as part of their ERM processes:

- Develop risk context that sets the stage for balance between costs and benefits of risk management,
- Provide continual risk identification,
- Understand risk fully for successful management,
- Set priorities and establish treatment of risks,
- Provide different options for treatment of risks based on cost and benefits ,
- Establish effective communication regarding risks, and
- Provide numerous reviews and monitor risks at all times.

Al Decker (2006) added that many times the initial step for a practical ERM program is for upper management to acknowledge that steps should be taken to address potential

dangers. In addition, organizations should accept the cost and time needed to implement ERM. The ultimate benefits of a successful ERM program include the following items:

- Cross-functional flow of information,
- Contact person(s) to provide assistance and direction for management of risks,
- Risk planning to include different scenarios of risks that are possible,
- Communication improvements to inform stakeholders of mitigation efforts, and
- Focus on compliance and factors such as quality and increased value for the business.
- Deploy proven methods, problem solving tools, and the skills and techniques that are needed to deliver results. Whether helping public agencies implement large-scale program management initiatives or addressing new regulatory or budgeting and reporting requirements, any organizations need to consistently develop the right metrics, processes, and tools necessary to demonstrate progress and results.
- Focuses on the practicality of solutions, including the time required to achieve tangible change within an agency's ongoing and planned agenda.
- Emphasizes transparency and accountability.
- Leverages expertise and best practices in establishing, refining, or enabling management offices and internal consulting capabilities.
- Maximizes management skill development within the in-house resource pool.
- Often includes the use of small teams conducive to flexibility and rapid execution.
- Employs end-to-end, integrated approaches to design and implementation.

2.5 Leadership Theories

Researchers have developed a number of leadership theories over the years. These fall into four main groups:

1. Behavioral theories – *What does a good leader do?*

Behavioral theories focus on how leaders behave. Do they dictate what needs to be done and expect cooperation? Or do they involve the team in decisions to encourage acceptance and support? (Lewin, 1939)

In the 1939, Kurt Lewin developed a leadership framework based on a leader's decision-making behavior. Lewin argued that there are three types of leaders:

- Autocratic leaders make decisions without consulting their teams. This is considered appropriate when decisions genuinely need to be taken quickly, when there's no need for input, and when team agreement isn't necessary for a successful outcome.
- Democratic leaders allow the team to provide input before making a decision, although the degree of input can vary from leader to leader. This type of style is important when team agreement matters, but it can be quite difficult to manage when there are lots of different perspectives and ideas.
- Laissez-faire leaders don't interfere; they allow people within the team to make many of the decisions. This works well when the team is highly capable and motivated, and when it doesn't need close monitoring or supervision. However, this style can arise because the leader is lazy or distracted, and, here, this approach can fail.

Researchers like Alanazi (2003) have realized, though, that many of these leadership behaviors are appropriate at different times. So, the best leaders are those who can use many different behavioral styles and use the right style for each right situation.

2. Contingency theories – *How does the situation influence good leadership?*

The realization that there isn't one correct type of leader led to theories that the best leadership style is contingent on, or depends on, the situation. These theories try to predict which leadership style is best in which circumstance.

When a decision is needed fast, which style is preferred? When the leader needs the full support of the team, is there a better way to lead? Should a leader be more people oriented or task oriented? These are all examples of questions that contingency leadership theories try to address.

3. Trait theories – *What type of person makes a good leader?*

Trait theories argue that leaders share a number of common personality traits and characteristics, and that leadership emerges from these traits. Early trait theories promoted the idea that leadership is an innate, instinctive quality that you either have or don't have. In addition to this, traits are external behaviors that emerge from things going on within the leader's mind – and it's these internal beliefs and processes that are important for effective leadership.

Trait theory does, however, help us identify some qualities that are helpful when leading others and, together, these emerge as a generalized leadership style. Examples include empathy, assertiveness, good decision-making, and likeability.

4. Power and influence theories – *What is the source of the leader's power?*

Power and influence theories of leadership take an entirely different approach. They're based on the different ways in which leaders use power and influence to get things done, and the leadership styles that emerge as a result. Perhaps the most well known of these theories is French and Raven's Five Forms of Power. This model distinguishes between using your position to exert power, and using your personal attributes to be powerful.

French and Raven (1959) identified three types of positional power – legitimate, reward, and coercive – and two sources of personal power – expert and referent (your personal appeal and charm). The model suggests that using personal power is the better alternative and, because Expert Power (the power that comes with being a real expert in the job) is the most legitimate of these that you should actively work on building this. Similarly, leading by example is another highly effective way to establish and sustain a positive influence with your team.

Another valid leadership style that's supported by power and influence theories is Transactional Leadership. This approach assumes that work is done only because it is rewarded, and for no other reason, and it therefore focuses on designing tasks and reward structures. While it may not be the most appealing leadership strategy in terms of

building relationships and developing a long-term motivating work environment, it does work, and it's used in most organizations on a daily basis to get things done.

2.5.1 Popular Leadership Styles

The leadership theories discussed so far fit within formal theoretical frameworks. However, many more terms are used to describe leadership styles, even if these don't fit within a particular system. It is worth understanding these!

1. Autocratic leadership

Autocratic leadership is an extreme form of transactional leadership, where leaders have absolute power over their workers or team. Staff and team members have little opportunity to make suggestions, even if these would be in the team's or the organization's best interest. Most people tend to resent being treated like this. Therefore, autocratic leadership often leads to high levels of absenteeism and staff turnover. However, for some routine and unskilled jobs, the style can remain effective because the advantages of control may outweigh the disadvantages.

2. Bureaucratic leadership

Bureaucratic leaders work "by the book." They follow rules rigorously, and ensure that their staff follows procedures precisely. This is a very appropriate style for work involving serious safety risks (such as working with machinery, with toxic substances, or at dangerous heights) or where large sums of money are involved (such as handling cash).

3. Charismatic leadership

A charismatic leadership style can seem similar to transformational leadership, because these leaders inspire lots of enthusiasm in their teams and are very energetic in driving others forward. However, charismatic leaders can tend to believe more in themselves than in their teams, and this creates a risk that a project, or even an entire organization, might collapse if the leader leaves. In the eyes of the followers, success is directly connected to

the presence of the charismatic leader. As such, charismatic leadership carries great responsibility, and it needs a long-term commitment from the leader.

4. Democratic leadership or participative leadership

Although democratic leaders make the final decisions, they invite other members of the team to contribute to the decision-making process. This not only increases job satisfaction by involving team members, but it also helps to develop people's skills. Team members feel in control of their own destiny, so they're motivated to work hard by more than just a financial reward. Because participation takes time, this approach can take longer, but often the end result is better. The approach can be most suitable when working as a team is essential, and when quality is more important than speed to market, or productivity.

5. Laissez-faire leadership

This French phrase means "leave it be," and it's used to describe leaders who leave their team members to work on their own. It can be effective if the leader monitors what's being achieved and communicates this back to the team regularly. Most often, laissez-faire leadership is effective when individual team members are very experienced and skilled self-starters. Unfortunately, this type of leadership can also occur when managers don't apply sufficient control.

6. People-oriented leadership or relations-oriented leadership

This is the opposite of task-oriented leadership. With people-oriented leadership, leaders are totally focused on organizing, supporting, and developing the people in their teams. It's a participative style, and it tends to encourage good teamwork and creative collaboration. In practice, most leaders use both task-oriented and people-oriented styles of leadership.

7. Servant leadership

This term, created by Robert Greenleaf in the 1970s, describes a leader who is often not formally recognized as such. When someone, at any level within an organization, leads simply by meeting the needs of the team, he or she is described as a "servant leader." In many ways, servant leadership is a form of democratic leadership, because the whole team tends to be involved in decision making.

Supporters of the servant leadership model suggest that it's an important way to move ahead in a world where values are increasingly important, and where servant leaders achieve power on the basis of their values and ideals. Others believe that in competitive leadership situations, people who practice servant leadership can find themselves left behind by leaders using other leadership styles.

8. Task-Oriented leadership

Highly task-oriented leaders focus only on getting the job done, and they can be quite autocratic. They actively define the work and the roles required, put structures in place, plan, organize, and monitor. However, because task-oriented leaders don't tend to think much about the well-being of their teams, this approach can suffer many of the flaws of autocratic leadership, with difficulties in motivating and retaining staff.

9. Transactional leadership

This style of leadership starts with the idea that team members agree to obey their leader totally when they accept a job. The "transaction" is usually the organization paying the team members in return for their effort and compliance. The leader has a right to "punish" team members if their work doesn't meet the pre-determined standard.

Team members can do little to improve their job satisfaction under transactional leadership. The leader could give team members some control of their income/reward by using incentives that encourage even higher standards or greater productivity. Alternatively, a transactional leader could practice "management by exception" – rather

than rewarding better work, the leader could take corrective action if the required standards are not met. Transactional leadership is really a type of management, not a true leadership style, because the focus is on short-term tasks. It has serious limitations for knowledge-based or creative work; however it can be effective in other situations.

10. Transformational leadership

As we discussed earlier, people with this leadership style are true leaders who inspire their teams constantly with a shared vision of the future. While this leader's enthusiasm is often passed onto the team, he or she can need to be supported by "detail people." That's why, in many organizations, both transactional and transformational leadership are needed. The transactional leaders (or managers) ensure that routine work is done reliably, while the transformational leaders look after initiatives that add new value.

CHAPTER THREE

RESULTS AND DISCUSSIONS

3.1 Introduction

This chapter covers the analysis, interpretation and presentation of the research findings. A descriptive analysis method has been used in the process of transforming the collected raw data (both qualitative and quantitative) into a form that can make them easy to understand, interpret, rearrange order and manipulate so as to provide descriptive information. Different types of tables and graphs (like: pie-chart and bar-graph) are broadly utilized to analyze the data.

Primary data collected from a total of 90 respondents (common employees and officials who are top managements) through a semi-structured questionnaire; and secondary data were used for analysis and interpretation of the results. The questions forwarded via the questionnaires were designed in such a way that they could target the objectives and answer research questions of the study. Hence, the data collected from the sample respondents in the case study of Federal Affairs Ministry in Addis Ababa as well as from secondary sources; are analyzed, interpreted and presented here under.

3.2 Characteristics of the Sample Respondents

Frequency distribution, percentage, and graphs are used for describing the characteristics of the informants. Out of the total 90 respondents, 78 of them were common employees in the Federal Affairs Ministry in Addis Ababa, and the remaining 12 individuals were top management or officials in the institution. Out of the expected 22 top management members for the study only 12 of them were available and provided their answers validly.

Table 3.1: Gender and Age of Sample Respondents

Items	Gender Type	Frequency	Percent	Cum.
Gender	Male	49	55%	55%
	Female	41	45%	100%
	Total	90	100%	--
	Age range			
Age	18 to 29	39	43.33%	43.33%
	30 to 41	33	36.7%	80%
	42 to 53	18	20%	100%
	54 to 65	0	0%	100%
	Total	90	--	--

(Source: Author survey-May, 2011)

Out of the 90 total sample employees of the ministry that were randomly selected, 55 percent of them were male respondents while 45 percent of them were female employees. The above table in the second part also shows ranges of ages of the sample respondents of the Federal Affairs Ministry. Based on the findings in the table, it is possible to say that about 43.33 percent of the sample individuals are in the age range of eighteen to twenty nine while 36.7 percent are from thirty to forty one years old and the remaining percent that is 20 percent are in the age range of forty two to fifty three years.

Table 3.2: Educational status of Sample Respondents

Respondent Types	Educational status	Frequency	Percent	Cum.
Common Employees	Secondary school	12	15.38%	15.38%
	College certificate or diploma	24	30.77%	46.15%
	Degree or Above	42	53.85 %	100%
	<i>Sub-Total</i>	<i>78</i>	<i>100%</i>	<i>--</i>
Top management Employees	Degree or Above	12	100%	100%
	<i>Sub-Total</i>	<i>12</i>	<i>--</i>	<i>--</i>

(Source: Author survey-May. 2011)

Out of the 78 sample common employee respondents of the Federal Affairs Ministry, more than 53 percent of them were found to be with academic status of degree or more than it. Around 31 percent of them were with College certificate or diploma level. While the remaining approximately 15 percent were at the Secondary school level. On the other hand, all the 12 or 100 percent of the top management employees were found to be with degree or above educational status.

Table 3.3: Work Experience of Sample Respondents

Minimum	Maximum	Average
4 months	35 years	5 years 9 months

(Source: Author survey-May. 2011)

Work experience of the sample informants were requested to forward, hence accordingly, the average work experience of the respondents were calculated and found to be around 5 years and 9 months. On the other hand there were sample individuals whose work experiences ranges from 4 months to 35 years.

3.3 Trust of Employees on Top management members

Creating a culture in which employees can say, “*this place is great*” requires that leaders and managers throughout an organization base their relationships with employees in actions that promote and develop trust. Leaders in particular need to reinforce the culture by communicating to people about the long-term benefits of creating an organization culture that is based in trust. Consistency between the communication and actions of leaders develops their credibility in the eyes of employees (Bigley and Pierce, 1998).

In the following pages the 78 sample (common employees) respondents’ trust level they have on the top managements of the organization under study; their job satisfaction in the Federal Affairs Ministry; and their awareness status about the organization’s leadership direction being adopted; have been analyzed and discussed.

Table 3.4: Common employees' trust on top management

SA= Strongly Agree, A= Agree, N= Neutral, D= Disagree, SD = Strongly Disagree

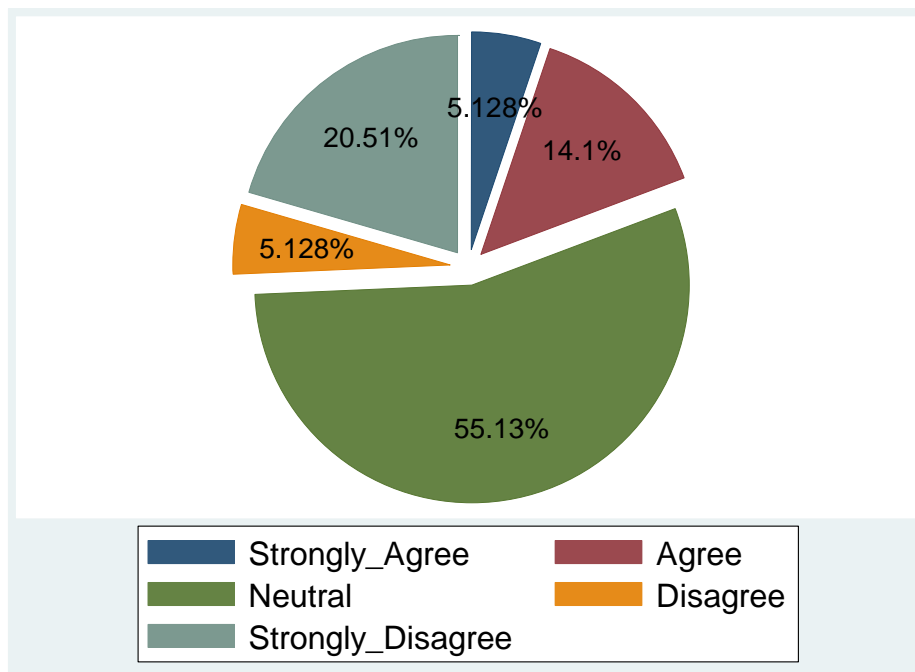
No	Items	Response in Frequency and Percent				
		SA	A	N	D	SD
1	All members of the top management are consistent in their works	--	8 (10.3%)	42 (53.9%)	12 (15.4%)	16 (20.5%)
2	All members of the top management are fair in their works	4 (5.1%)	11 (14.1%)	43 (55.1%)	4 (5.1%)	16 (20.5%)
3	All members of the top management usually keeps their promises in their tasks	--	12 (15.4%)	50 (64.1%)	8 (10.3%)	8 (10.3%)
4	There is high transparency between the employees and the top management	8 (10.3%)	24 (30.8%)	42 (53.9%)	--	4 (5.1%)
5	Sharing information between the employees and the top management is very high	8 (10.3%)	24 (30.8%)	34 (43.6%)	4 (5.1%)	8 (10.3%)
6	All members of the top management are ethically well disciplined	8 (10.3%)	24 (30.8%)	24 (30.8%)	15 (19.2%)	7 (8.9%)
7	All members of the top management have the required knowledge and skills for their positions	4 (5.1%)	28 (35.9%)	31 (39.7%)	3 (3.9%)	12 (15.4%)
Mean Results		6 (7.7%)	17 (21.8%)	38 (48.7%)	8 (10.3%)	9 (11.5%)

(Source: Author survey-May. 2011)

The sample common employees of the Federal Affairs Ministry were requested to express their levels of agreement or disagreement in having a trust on the top management of the ministry. Result of the finding in the last row (*calculated averages of the seven questions*) of the above table depicts that 7.7 percent and 21.8 percent of the sample employee have strongly agreed and agreed respectively. On the other hand, around 10 percent and 11.5 percent of the informants have disagreed and strongly

disagreed respectively while the remaining large percent of the respondents that is approximately 49 percent were in the status of neither agreement nor disagreement to the previous seven trust measuring questions. Hence, this result of the study shows that only few percent of the common sample employees have trust on members of the top management of Federal Affairs Ministry. And, almost half percent of them selected to be neutral to the questions for unknown reason.

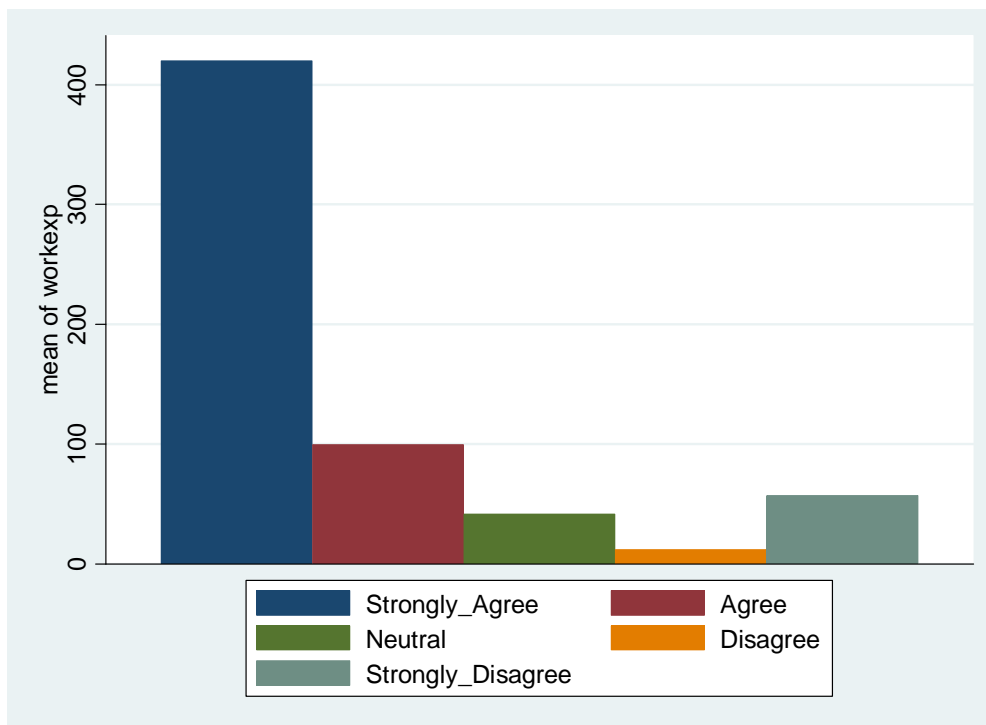
Figure 3.1: Fairness in the top management



(Source: Author survey-May, 2011)

In a similar case, the respondents revealed that more than 55 percent of them kept neutral in suggesting or commenting fairness of the top management of the ministry understudy. On the other side, small percent (i.e. 14 % ‘Agree’ and 5% ‘Strongly Agree’) of the employees have trust in the fairness of the top management while approximately 20.5 percent have strongly disagreed and 5 percent have disagreed to the statement forwarded to them “*All members of the top management are fair in their works*”.

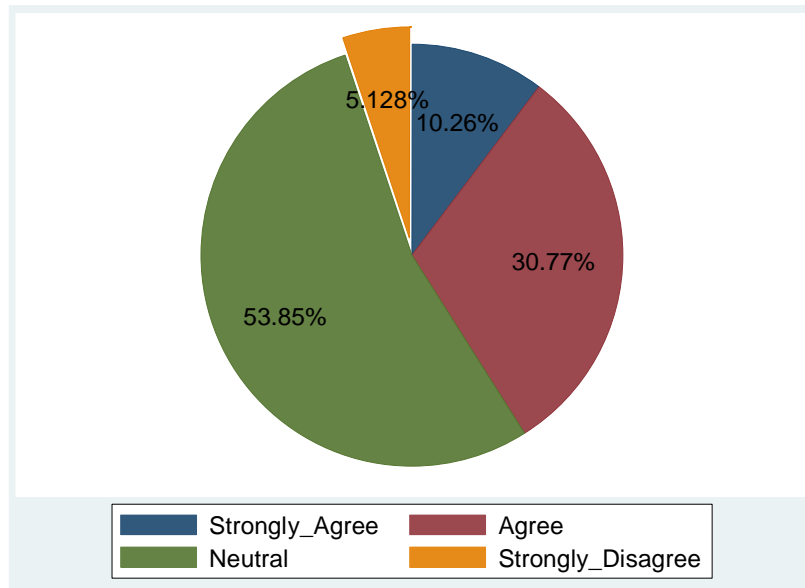
Figure 3.2: Fairness in the top management Vs Work Experience of Respondents



(Source: Author survey-May. 2011)

This bar graph indicates the relationship of the respondents' work experience with their levels of trust in the fairness of the top management in the Federal Affairs Ministry. Accordingly, the graph depicts that almost there is a positive correlation between having more and more years of work experience with having more and more trust in the top management of the ministry. In other words, those who have many years of work experience have a strong trust level in the fairness of the top management. Oppositely, those with very few years of work experience have not trust in the fairness of the top management.

Figure 3.3: Transparency in the top management



(Source: Author survey-May, 2011)

This figure shows a similar result of the previous discussion. It indicates that approximately 54 percent of the sample respondents were not in a position to put themselves at either agreement side or disagreement side to the statement forwarded as “*There is high transparency between the employees and the top management*”. They were neutral to the statement. In the other side, around 31 percent and 10.3 percent have agreed and strongly agreed respectively that they have trust in the existence of high transparency between the common employees and the top management of the Federal Affairs Ministry. And, the remaining percentage of the informants that is about 5 percent of them have explicitly revealed that they there is no high transparency between the employees and the top management.

3.4 Job Satisfaction of Employees in the Federal Affairs Ministry

Motivating employees and keeping them always satisfied in their tasks can be one of the biggest challenges as member of a top management. Constant pressure to increase effectiveness and efficiency, productivity, profitability, and revenue growth can often overshadow the importance of how an unengaged workforce can negatively affect corporate performance (Colquitt, et al, 2007).

As suggested by Blau (1964), keeping employees motivated and satisfied is the key to maintaining a productive, successful business and got tasks efficiently done. Managers must find ways to motivate employees and make them want to live up to their full potential. To do this effectively, managers need to understand what motivates employees within the context of their respective roles.

Table 3.5: Job Satisfaction of Common Employees

VH= Very High, **H=** High, **IDK=** I don't know, **L=** Low, **VL=** Very Low

No	Items	Response in Frequency and Percent				
		VH	H	IDK	L	VL
1	Treatment of employees by supervisors and managers	8 (10.3%)	31 (39.7%)	27 (34.6%)	12 (15.4%)	--
2	Encouragement of employees' creativity and new approaches by top managements	12 (15.4%)	16 (20.5%)	32 (41.0%)	18 (23.1%)	--
3	Employees involvement in decision-making	--	24 (30.8%)	50 (64.1%)	4 (5.1%)	--
4	Teamwork and cooperation across divisions	20 (25.6%)	27 (34.6%)	27 (34.6%)	--	4 (5.1%)
5	Pride and belief in the organization	12 (15.4%)	39 (50%)	8 (10.3%)	15 (19.2%)	4 (5.1%)
6	Promotion based on performance within the organization	20 (25.6%)	30 (38.5%)	16 (20.5%)	8 (10.3%)	4 (5.1%)
7	Support for additional education directly related to job by the organization	16 (20.5%)	15 (19.2%)	35 (44.9%)	12 (15.4%)	--
8	Provision of tools, equipments and technical support to facilitate work by the organization	8 (10.3%)	36 (46.1%)	30 (38.5%)	4 (5.1%)	--
9	Your satisfaction with the provision of incentives by the organization	--	12 (15.4%)	26 (33.3%)	24 (30.8%)	16 (20.5%)
10	Overall fairness of the organization for employees with different gender, racial, religious or disability categories	28 (35.9%)	35 (44.8%)	7 (8.9%)	4 (5.1%)	4 (5.1%)
Mean Results		14 (17.9%)	25 (32%)	24 (30.7%)	10 (12.8%)	5 (6.4%)

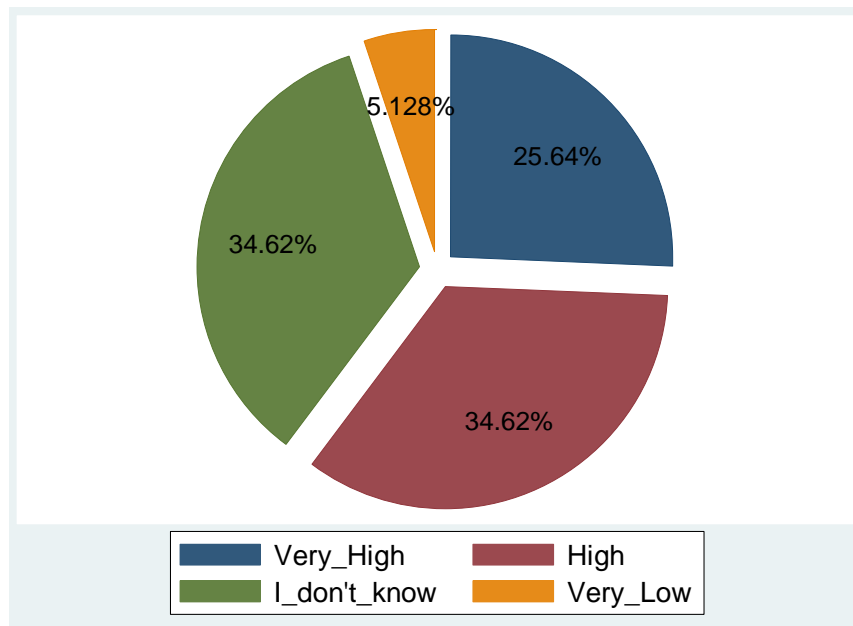
(Source: Author survey-May. 2011)

By observing the calculated averages of the above 10 questions at the last row of this table, the overall job satisfaction of the sample common employees of the ministry shows that even though 6.4 percent and 12.8 percent of them have very low and low levels of job satisfaction respectively, but 17.9 percent and 32 percent have respectively very high

and high job satisfactions within the institution. On the other hand, a significant number of the sample respondents that is more than 30 percent of them didn't exactly express their job satisfaction status in the ministry.

The results in this table shows that a significant number of the sample respondents that is the common employees of the Federal Affairs Ministry have job satisfactions within the institution despite the fact that there are still a considerable number of employees who do not have job satisfaction within the ministry.

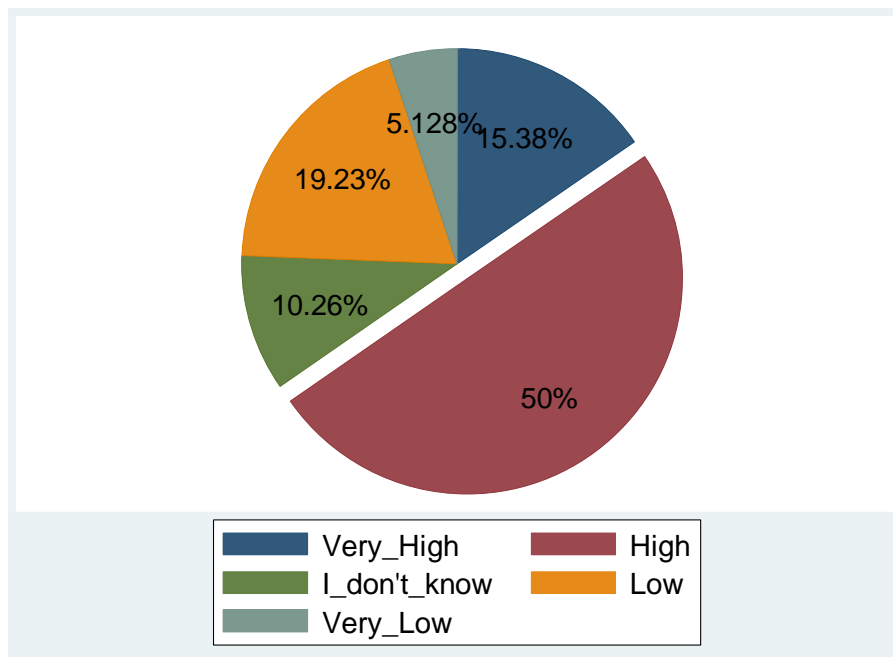
Figure 3.4: Teamwork and cooperation across divisions



(Source: Author survey-May. 2011)

Even though around 5 percent of the respondents answered it is 'Very Low', Teamwork and cooperation across divisions prevalently exist within the institution under study. This is because out of the 78 sample common employees, more than 35 percent and approximately 26 percent of them said that there are respectively high and very high levels of teamwork as well as cooperation across divisions that are found within the institution.

Figure 3.5: Pride and belief of employees on the Institution



(Source: Author survey-May, 2011)

This figure indicates percentages of the sample respondents based on their Pride and belief they have towards the organization they are working for. Accordingly, the overall result shows promising because about 50 percent of them have high Pride and belief in the Federal Affairs Ministry. Likewise, around 15.4 percent of the informants said that they have a very high Pride and belief in the ministry. Inconsiderably, about 5 percent of the respondents had very low level of pride and belief in this organization, but still significantly, around 19.2 percent of the informants forwarded that they have a high Pride and belief in the ministry while the remaining 10.26 percent answered as ‘*I don't know*’.

3.5 Awareness of respondents about leadership direction of the Organization

Awareness of employees about the existing leadership direction their institution follow is vital to study in order to help them effectively and efficiently do their task accordingly.

Hence, the following tables show findings about the common employees' awareness status they have towards the institution they are working for.

Table 3.6: Leadership direction Awareness

Question forwarded: 'Do you know the number of departments this organization has?'			
Response	Frequency	Percent	Cum.
Yes	67	85.9	85.9
No	11	14.1	100
<i>Total</i>	78	100	--
Question forwarded: 'Do you know the organizational structure of this institution?'			
Yes	64	82.1	82.1
No	14	17.9	100
<i>Total</i>	78	100	--

(Source: Author survey-May. 2011)

Among others, the awareness about the departments an institution has and about the organizational structure of an institution as well as about its Vision, Mission and Goals are some of the main factors that could help an employee's awareness level about the organization it works for.

Accordingly, the respondents were requested to express the number of departments or work processes the Federal Affairs Ministry has. This question would help to say how much the employees are aware enough about the institution's number of departments it has. Hence, honestly, out of the 78 sample common employees approximately 14 percent of them said that they did not know the exact number of departments the ministry has while about 86 percent of them actually knew it.

In line with this, they were asked to tell the exact number of department in the institution. Many of them called different numbers, among the 86 percent of the respondents who

said that they knew the number of the department, on average the number was nine. But actually the organization has exactly thirteen numbers of the departments. This result indicates that there are still many number of the sample employees who said that they knew the number of the departments, but did not know the actual number. In other words, it is possible to conclude that a considerable number of the employees were not aware about the actual number of the departments that are found within the Federal affairs Ministry located in Addis Ababa.

In addition to this, the organizational structure of the institution under consideration was familiar only by 17.9 percent of the sample respondents while the remaining large percent of the respondents that is about 82.1 percent forwarded that they were not familiar with the existing organizational structure of the Federal Affairs Ministry where they are working for. Therefore, based on this figure of the employees, it is advisable to infer that more than 80 percent of the common employees of the ministry were not aware with organizational structure of the institution where they work.

Table 3.7: Awareness on Vision, Mission and Goal of Organization

Question forwarded: ‘Among the Vision, Mission, and Goal of the organization; which do you know very well?’			
Response	Frequency	Percent	Cum.
Mission only	4	5.13	5.13
Vision and Mission	16	20.51	25.64
Mission and Goal	4	5.13	30.77
All (the three)	24	30.77	61.54
I don’t know any of them	30	38.46	100
<i>Total</i>	78	100	--

(Source: Author survey-May. 2011)

Moreover, sample informants were similarly required to explain whether they knew the Vision, Mission and Goal or Purpose of the Federal Affairs Ministry. Surprisingly, only

30.77 percent of the respondents said that they knew them all. But, on the other hand, more than 38 percent of them told that they did not totally know any of the three.

On the other side, 5.13 percent of the respondents knew only the Mission part of the ministry, 20.51 percent knew both the Mission and the Vision but still they did not know the goal or purpose of the institution. And, about 5.13 percent of the respondents knew only the mission and goal part in other words they did not know the vision of the institution.

Therefore, all in all the previous findings can help to recommend that there need an in-depth awareness creation among the employees of the Federal affairs Ministry about the overall organizational structure, its Vision, Mission and Goal, as well as the leadership directions of the institution.

3.6 Leadership approaches and activities in managing risks

Out of the total 90 sample size of the study, 78 of them were common employees who work for the Federal Affairs Ministry in Addis Ababa from whom a firsthand information were collected through a semi-structured questionnaire; and the remaining 12 sample individuals were top management officials or members from whom another first hand information. Accordingly, the following pages depict the overall findings of the primary data collected through a questionnaire from the 12 top management members of the Federal Affairs Ministry.

Not knowing the outcome of future events makes the management of risks seem impossible. However, the use of risk management tools can provide the knowledge needed to empower management to seemingly do the impossible. Risk management tools can help greatly minimize the potential negative effects of some organization's risks (Al Decker, 2006).

Accordingly, the 12 top management officials of the institutions were requested to reveal how often they use a comprehensive risk management in their plans. There was only a

slight deviation about their answers among them; some of them said that he always used the comprehensive risk management in his plans while the other officials said often.

Moreover, they added that they make themselves flexible and robust in searching solution/s when they encounter unexpected risks within the institution. In addition to this, the top management interviewees added that they usually inform all the common employees in the ministry whenever any sort of unexpected risks happen within their institution. They also reason out that this action would help them in searching best solution to the potential and unexpected risks.

Robustness and flexibility are tools for meeting uncertainty, and robustness analysis is a way of supporting decision making when there is uncertainty about the future. Robustness is the ability to accommodate any uncertain future events or unexpected developments such that the initially desired future state can still be reached. Flexibility is the ability to defer, abandon, expand, or contract any investment towards the desired goal (Rosenhead, 2002).

Likewise, the respondents said that the effectiveness of implementing the principle of accountability for each employee of the institution can be ensured through providing full power to the each employee based on its duties and responsibilities which are cascaded from the organization's structural hierarchy to the performer level.

They added that the Federal Affairs Ministry had built and implemented a management and measuring system using a Balanced Scorecard as a tool for its effective and efficient implementations of the employees' duties and responsibilities. About 75 percent of these respondents particularly said that for instance if an employee was absent from work without basic reasons and permission of the office, he/she would be forced to compensate that day/s by working during his/her annual leave periods.

Beyond this, there was some top management members have different viewpoints in one thing that is 9 of them said that their management is fast in managing risks because, if the risk seriously affects the organization's performance, the management would swiftly take

all the necessary measures in order to take corrective action. The other 3 respondents forwarded that their management is not fast in managing risks because the newly established system did not become an organizational culture at all levels of the organizational structure as intended.

But, almost all of those respondents agreed in the measures types that should be taken when ever risks happen within the organization. They argued that the measures should be like: frequent communication and education (i.e. awareness creation among all employees) have to be implemented thereby the buy-in process would be effective as well as efficient; and the overall system of the institution should be enhanced.

In addition to this, the top management members also noted that in order to minimize future uncertainties or risks, the following points were usually considered when preparing their plans. Those are:-

- Identification of strategic issues and possible strategies had to be developed
- Measures and targets have to be set
- Progress review plans have to be prepared, implemented, and properly evaluated for results.
- Identifying potential risks and preparing alternative solutions

3.7 Leadership style in mobilizing and considering individual comments

The 12 top management members revealed that they usually consider common employees' as well as customers' comments so as to fill any kind of gaps and defects that might happen within the organization. They justified for this by saying customers' and employees' needs and expectations have served as a gauge and the services that they require should be in line with their needs and expectations. Therefore, a customer satisfaction survey should be conducted.

Moreover, they added that taking in to account the common employees' as well as customers' comments would help to review the organization's system thereby amend and update accordingly then their needs and expectation would be met successfully this is why we usually consider employees' and customers' comments seriously.

In addition to this, the respondents forwarded that there were some gaps or problems that the organization had faced before which were effectively solved based on the alternative solution raised and provided by the common employees and customers. The interviewees list those problems as follow:-

- The performance gaps that were observed by the common employees were a turnaround time
- The quality of the services for getting services of the organization were not to the customers' expectations

Moreover, the respondents supplemented that in time of reforms of the organization's systems the other types of individual comments which were considered so as to improve the organizations' working structures were:-

- Result based management has to be implemented
- A process based structure where similar works are grouped together has to be applied
- A continuous improvement program should be there for adopting the new changing conditions

Finally, the respondents said that the way they mobilize and encourage the individual (i.e. common employees' and customers') in order to forward and share their comments and talents are:-

- through proper communication and education programs,
- by aligning the measurement system with a reward and incentive packages,
- by celebrating success for not waiting much time for it,

- by preparing and installing every corner suggestion-box with suggestion papers and check them at the end of every weekend in order to collect then take the comments. Then at last making analysis at each comment.

Therefore, based on the previous analysis and discussions of the study, we can understand that the actual leadership approach manifested in the organization is ***Democratic leadership or participative leadership***. This is because although democratic leaders make the final decisions, they invite other members of the team to contribute to the decision-making process, consider comments as well as suggestions of their subordinates, common employees and customers. This not only increases job satisfaction among employees by involving team members, but it also helps to develop people's skills. Team members feel in control of their own destiny, so they're motivated to work hard by more than just a financial reward.

CHAPTER FOUR

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter includes summary, conclusion as well as the recommendation parts of the research.

4.1 Summary of the study

- The general objective of this study is to assess the leadership practices at the Federal Affairs Ministry Office in Addis Ababa. It was conducted based on a survey research methodology with a total sample size of 90 individuals from the case study of the Federal Affairs Ministry. 78 of them are common employees who work for the ministry and 12 are top management officials of the organization.
 - Out of the 90 total sample employees of the ministry that were randomly selected, 55 percent of them were male respondents while 45 percent of them were female employees. The age ranges of the sample respondents indicates that about 43.33 percent of the sample individuals are in the age range of eighteen to twenty nine while 36.7 percent are from thirty to forty one years old and the remaining percent that is 20 percent are in the age range of forty two to fifty three years.
 - Out of the 78 sample common employee respondents of the Federal Affairs Ministry, more than 53 percent of them were found to be with academic status of degree or more than it. Around 31 percent of them were with College certificate or diploma level. While the remaining approximately 15 percent were at the Secondary school level. On the other hand, all the 12 or 100 percent of the top management employees were found to be with degree or above educational status.
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- The average work experience of the respondents were calculated and found to be around 5 years and 9 months. On the other hand there were sample individuals whose work experiences ranges from 4 months to 35 years.
 - The sample common employees of the Federal Affairs Ministry were requested to express their levels of agreement or disagreement in having a trust on the top management of the ministry. Result of the finding depicts that 7.7 percent and 21.8 percent of the sample employee have strongly agreed and agreed respectively. On the other hand, around 10 percent and 11.5 percent of the informants have disagreed and strongly disagreed respectively while the remaining large percent of the respondents that is approximately 49 percent were in the status of neither agreement nor disagreement.
 - In a similar case, the respondents revealed that more than 55 percent of them kept neutral in suggesting or commenting fairness of the top management of the ministry understudy. On the other side, small percent (i.e. 14 % ‘Agree’ and 5% ‘Strongly Agree’) of the employees have trust in the fairness of the top management while approximately 20.5 percent have strongly disagreed and 5 percent have disagreed to the statement forwarded to them “*All members of the top management are fair in their works*”.
 - Moreover, the study finding shows that there is a positive correlation between having more and more years of work experience with having more and more trust in the top management of the ministry. In other words, those who have many years of work experience have a strong trust level in the fairness of the top management. Oppositely, those with very few years of work experience have not trust in the fairness of the top management.
 - About 54% of the respondents were not in a position to put them themselves at either agreement side or disagreement side to the statement forwarded as “*There is high transparency between the employees and the top management*”. They were neutral to the statement. In the other side, around 31 percent and 10.3 percent have agreed and strongly agreed respectively that they have trust in the existence of high transparency between the common employees and the top management of the Federal Affairs Ministry.
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- Concerning *Teamwork and cooperation across divisions*, even though around 5 percent of the respondents answered it is 'Very Low', Teamwork and cooperation across divisions prevalently exist within the institution under study. This is because out of the 78 sample common employees, more than 35 percent and approximately 26 percent of them said that there are respectively high and very high levels of teamwork as well as cooperation across divisions that are found within the institution.
- Likewise, about 50 percent of them have high *Pride and belief* in the Federal Affairs Ministry. Around 15.4 percent of the informants said that they have a very high Pride and belief in the ministry.
- The respondents were requested to express the number of departments the institution has. Honestly, 14% of the 78 common employees said that they did not know the exact number of departments the ministry has while about 86 percent of them actually knew it. In line with this, they were asked to tell the exact number of department in the institution. Many of them called different numbers, among the 86 percent of the respondents who said that they knew the number of the department, on average the number was nine. But actually the organization has exactly thirteen numbers of the departments. This result indicates that there are still many number of the sample employees who said that they knew the number of the departments, but did not know the actual number.
- Besides, the organizational structure of the institution was familiar only by 17.9% of the respondents while the remaining large percent of the respondents that is about 82.1% forwarded that they were not familiar with the existing organizational structure of the Federal Affairs Ministry where they are working for. Moreover, only 30.77% of the respondents said that they knew them all the *Vision, Mission and Goals* of the institution.
- The 12 top management officials of the institutions were requested to reveal how often they use a comprehensive risk management in their plans. There was only a slight deviation about their answers among them; some of them said that he always used the comprehensive risk management in his plans while the other officials said often. Moreover, they added that they make themselves flexible and

robust in searching solution/s when they encounter unexpected risks within the institution. In addition to this, the top management interviewees added that they usually inform all the common employees in the ministry whenever any sort of unexpected risks happen within their institution. They also reason out that this action would help them in searching best solution to the potential and unexpected risks.

- Likewise, the top management official respondents said that the effectiveness of implementing the principle of accountability for each employee of the institution can be ensured through providing full power to the each employee based on its duties and responsibilities which are cascaded from the organization's structural hierarchy to the performer level. They added that the Federal Affairs Ministry had built and implemented a management and measuring system using a Balanced Scorecard as a tool for its effective and efficient implementations of the employees' duties and responsibilities. About 75 percent of these respondents particularly said that for instance if an employee was absent from work without basic reasons and permission of the office, he/she would be forced to compensate that day/s by working during his/her annual leave periods.
- The 12 top management members revealed that they usually consider common employees' as well as customers' comments so as to fill any kind of gaps and defects that might happen within the organization. They justified for this by saying customers' and employees' needs and expectations have served as a gauge and the services that they require should be in line with their needs and expectations. Therefore, a customer satisfaction survey should be conducted. Moreover, they added that taking in to account the common employees' as well as customers' comments would help to review the organization's system thereby amend and update accordingly then their needs and expectation would be met successfully this is why we usually consider employees' and customers' comments seriously.
- In addition to this, the respondents forwarded that there were some gaps or problems that the organization had faced before which were effectively solved based on the alternative solution raised and provided by the common employees

and customers. They said the problems as:- The performance gaps that were observed by the common employees were a turnaround time; and The quality of the services for getting services of the organization were not to the customers' expectations

- Finally, they said that the way they mobilize and encourage the individual (i.e. common employees' and customers') in order to forward and share their comments and talents are:- through proper communication and education programs; by aligning the measurement system with a reward and incentive packages; by celebrating success for not waiting much time for it; and by preparing and installing every corner suggestion-box with suggestion papers and check them at the end of every weekend in order to collect then take the comments. Then, at last making analysis at each comment.
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4.2 Conclusion

Based on the summarized findings of the study, the student researcher has drawn the following conclusions.

There are only few percent of the common sample employees have trust on members of the top management of Federal Affairs Ministry while many of them do not. A significant number of the sample respondents that is the common employees of the Federal Affairs Ministry have job satisfactions within the institution despite the fact that there are still a considerable number of employees who do not have job satisfaction within the ministry. There is a great deficiency of awareness among the common employees about the overall organizational structure of the institution, its Vision, Mission and Goal or purpose, as well as the leadership directions of the organization. In other words, it is possible to conclude that a considerable number of the employees were not aware about the actual number of the departments that are found within the Federal affairs Ministry located in Addis Ababa.

The top management member respondents explained about the flexibility and fast of the current leadership system of the Federal Affairs Ministry in managing risks and changing situations. They said that they make themselves flexible and robust in searching solution/s when they encounter unexpected risks within the institution. In addition to this, the top management respondents added that they usually inform all the common employees in the ministry whenever any sort of unexpected risks happen within their institution. They also reason out that this action would help them in searching best solution to the potential and unexpected risks. Moreover, the top management officials revealed that they usually consider common employees' as well as customers' comments so as to fill any kind of gaps and defects that might happen within the organization.

Even though, there are some kind of gaps between the common employees and the top management officials about what they have responded to the study, the actual leadership approach manifested in the organization is democratic leadership or participative leadership in *principle* because there are significant number of the common employees who are do not have trust in those top management officials and who are dissatisfied with the system of the organization.

4.3 Recommendations

The research result shows that even though the actual leadership approach manifested in the organization is Democratic leadership or participative leadership, however, there are a significant number of respondents who did not have a trust on members of the top management, there are also common employees with less or not job satisfactions but still works for the organization, and there many common employees whose awareness levels about the actual leadership direction of the organization was very low.

Therefore, based on the previously stated conclusions, the following points are recommended so as at least to develop trust on the top management officials and to improve their job satisfactions within the Federal Affaire Ministry and also to upgrade the common employees' awareness status about the ministry's overall situation.

There need an in-depth awareness creation among the employees of the Federal affairs Ministry about the overall organizational structure, its Vision, Mission and Goal, as well as the leadership directions of the institution.

Trust between common employees and top management officials cab be developed through mobilizing and encouraging the common employees in order to forward and share their comments and talents; through respecting to each others, through keeping officials promises, by being fair, consistent, ethically exemplary, capable enough in all their deeds and tasks.

Common employees' job satisfactions can be improved through making and encouraging the common employees to participate in decision-making situations, fulfilling all necessary tools and equipments, providing timely and fair incentives, providing trainings and education so as to upgrade the employees' knowledge and skill.

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Appendix

Appendix

**Questionnaire to be filled by common employees (i.e. those who are not Managers,
Directorates, Ministry and Member of Top Management) of the
Federal Affairs Ministry**

PART I. Characteristics of Respondents

Please circle the appropriate answer that describes you best.

And fill the blank space for the 4th question

- 1) What is your sex?
A) Male B) Female
- 2) What is your age range?
A) 18 – 29 C) 42 – 53
B) 30 – 41 D) 54 – 65
- 3) What is your level of formal education?
A) Illiterate
B) Primary school (1-4)
C) Junior secondary school (5-8)
D) Secondary school (9-12)
E) College certificate or diploma
F) Degree or more
- 4) What is your work experience in this organization? _____ years.

PART II. Trust of Employees on Top management measuring questions

Would you please select your choice by putting a tick mark [✓]

SA = Strongly Agree, **A** = Agree, **N** = Neutral,
D = Disagree, **SD** = Strongly Disagree

No	Items	SA	A	N	D	SD
1	All Members of the top managements are consistent in their works					
2	All Members of the top managements are fair in their works					
3	All Members of the top managements usually					

	keeps their promises in their tasks					
4	There is high transparency between employees and top managements.					
5	Sharing of information between employees and managers is very high					
6	All Members of the top managements are ethically well disciplined					
7	All Members of the top managements have the required knowledge and skills for their positions.					

PART III. Job satisfaction measuring questions

Would you please select you choice by putting a tick mark [√]

VH = Very High, **H** = High, **IDK** = I Don't Know,
L = Low, **VL** = Very Low

No	Items	VH	H	IDK	L	VL
1	Treatment of employees by supervisors and managers					
2	Encouragement of employee creativity and new approaches by top managements					
3	Employee involvement in decision-making					
4	Teamwork and cooperation across divisions					
5	Pride and belief in the Organization					
6	Promotion based on performance within the Organization					
7	Support for additional education directly related to job by the Organization					
8	Provision of tools, equipment and technical support to facilitate work by the Organization					
9	Your satisfaction with the provision of incentives by the organization					
10	Overall fairness of the organization for employees with different racial, gender, religion or disability categories					

PART IV. Awareness about leadership direction of the Organization measuring questions

1) Do you know the number of departments (work processes) this organization has?

A) YES B) NO

If YES, How many are there? _____

2) Do you know the organizational structure of this institution?

A) YES

B) NO

If NO, Why? _____

3) Underline the terms that you know very well of this organization. (*You may underline more than one term or none of them if you don't know any of them*).

A) Vision

B) Mission

C) Goal or Purpose

4) Do you know the manager of your immediate manager?

A) YES

B) NO

If NO, Why? _____

THANK YOU AGAIN FOR COMPLETING THE QUASTIONNARE!

Interview Schedule with *Managers, Directorates, Ministry and Member of Top Management of the Federal Affairs Ministry*

PART I. Characteristics of Respondents

- 1) What is your sex? (*Don't ask, fill by observation only*).
- 1) Male 2) Female
- 2) What is your age range?
- 1) 18 – 29 3) 42 – 53
- 2) 30 – 41 4) 54 – 65
- 3) What is your level of formal education?
- 1) Illiterate
- 2) Primary school (1-4)
- 3) Junior secondary school (5-8)
- 4) Secondary school (9-12)
- 5) College certificate or diploma
- 6) Degree or more
- 4) What is your work experience in this organization? _____ years.

PART II. Questions about leadership approaches' flexibility and activity in managing risks

- 1) How often do you use a comprehensive risk management in your plans?
- 1) Always 2) Often 3) Sometimes 4) Seldom 5) Never
- If Seldom or Never, why not always?
- _____
- _____
- 2) If you encounter unexpected risks in your organization, do you make yourself flexible in searching the solution for it?
- 1) YES 2) NO
- If NO, why? _____

If YES, How? _____

- 3) If you encounter unexpected risks in your organization, do you tell the issue to all the employees in searching a solution for it?

1) YES 2) NO

If NO, why? _____

If YES, How often? _____

- 4) How do you think the effectiveness of implementing the principle of accountability for each employee in this organization?

4.1) If there is an experience in this case, would you please tell me?

- 5) Do you think your management is fast in managing risks?

A) YES B) NO

If NO, why? _____

If YES, How? And would you please explain your past experience in this case?

- 6) What other measures did you take in solving the risks?

- 7) What conditions do you prepare when planning in order to minimize future uncertainties or risks?

PART III. Questions about the leadership approach in Mobilizing and considering Individual (Common employees' and customers') comments in reforming the organization's systems

1) Do you think considering individual (employees' and customers') comments are important in filling the gaps of the organization?

- 1) YES 2) NO

If NO, why? _____

If YES, How? _____

2) How often do you take the individual (employees' and customers') comments in to account?

- 1) Always 2) Often 3) Sometimes 4) Seldom 5) Never

3) What gaps (problems) did this organization face before that were solved by the solution raised or forwarded by the individual (employees' and customers') comments?

4) In time of reforms of the organization's systems, what other types of the individual comments were considered in improving the organizations working structures?

5) How do you mobilize and encourage the individuals (employees and customers) in order to forward and share their comments and talents?

Thank You for your cooperation!