A Dissertation for the Degree of Ph.D.

**ORGANIZATIONAL LEADERSHIP AS A TOOL FOR BUSINESS GROWTH**

**- THE CASE OF SMALL AND MEDIUM SIZED ENTERPRISES (SMEs)**

**IN CAMEROON**

A Dissertation Submitted to the Faculty of

KUKJE THEOLOGICAL UNIVERSITY AND SEMINARY

in Partial Fulfillment of the Requirements

for the Degree of Ph.D.

in Global Leadership

by

NGEMUKUNG VANESSA-JOYCLYN TANYIE

SEOUL, KOREA

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This is to certify that the dissertation of NGEMUKUNG VANESSA-JOYCLYN TANYIE is approved by committee of Kukje Theological University and Seminary.

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# ACKNOWLEDGEMENT

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# ABBREVIATIONS

*API*               Investment Promotion Agency

*BCD*               Banque Camerounaise de Developpement.

*CAPME*             Centre d'Assistance aux Petites et Moyennes Entreprises.

*CEMAC*             Communauté Économique Et Monétaire De L'Afrique Centrale.

*FOGAPE*            Fonds de Garantie et de Crédit aux PME.

*GDP*               Gross Domestic Product.

*HIPC*              Heavily Indebted Poor Countries.

*LTD*               Limited Liability Company

*MAGZI*             Mission Development and Management of Industrial Zones

*ME*                Medium Sized Enterprises.

*ME*                Medium Enterprises.

*MINEPAT*           Ministre de l'Economie, de la Planification et de l'Aménagement
                    du Territoire.

*MINFI*             Ministry of Finance.

*MINIMIDT*          Ministère des Mines, de l'Industrie et du Développement
                    Technologique

*MINPMEESA*         Ministère des Petites et Moyennes Entreprises, de l'Economie
                    Sociale et de l'Artisanat.

*PLC*               Public Limited Company.

| | |
|---|---|
| *SE* | Small Enterprises. |
| *SME* | Small and Medium Sized Enterprises. |
| *SNI* | Société Nationale d'Investissement du Cameroun |
| *SYNDUSTRICAM* | Syndicat des Industriels du Cameroun. |
| *VSE* | Very Small Enterprises. |

# ABSTRACT

Tanyie, Ngemukung Vanessa-Joyclyn

> 2022 "Organizational Leadership as a Tool for Business Growth: The Case of Small and Medium Sized Enterprises (SMEs) in Cameroon." Kukje Theological University and Seminary, Global Leadership, Ph.D. 150 pages.

This study titled "Organisational Leadership as a Tool for Business Growth: the case of small and medium size enterprises (SMEs) in Cameroon**."** It investigated the reason why organisational leadership influences business growth from the perspective of profitability, survival and continuity. Generally, the study sought to examine whether leadership in organizations influence business growth. Specifically, it sought to examine the extent to which leadership competence influences business growth, organisational culture influences business growth and organisational climate influences business growth. One general and three specific research questions were formulated based on this premise.

Literature was reviewed conceptually, theoretically and empirically. Conceptually, organisation, leadership, leadership competence, organisational culture and climate as well as business growth were reviewed. The behavioural and style theory, the functional leadership theory and the situational and contingency theory were reviewed. Case studies relating to the variables of the study were reviewed empirically.

To test the research questions, the survey research design was used. The area of the study was the North West and South West regions of Cameroon. The sample size consisted of 104 Small and Medium Sized Enterprises (SME's) constituted by 298 respondents (104 managers and 194 employees). The respondents were selected using a non-probability sampling technique specifically the purposive sampling technique. The checklist and questionnaires were used in collecting information from the respondents. Data collected

was analysed using descriptive statistics specifically percentages. Tables, Bar Graphs and Pie Charts illustrated the calculated results.

The following findings were obtained: leadership competence influences business growth with a percentage of 35%, while organisational culture has a 33% influence on business growth and organisational climate has a 32% influence on business growth. Overall indicating a 100% influence of organisational leadership on business growth.

From the above findings we concluded that organisational leadership influences business growth. Based on the conclusions of the study, it was recommended that SMEs should recruit qualified personnel that are competent (possess the necessary skills, knowledge and attitude) required to manage SME's. SMEs should organize capacity building workshops, seminars, conferences and refresher courses so as to continuously develop employees professionally. They must also endeavour to be in control of constraints related to their societal responsibilities by working in collaboration with all stakeholders. Also upgrade infrastructural facilities so as to create favourable conditions for the development of SME's. The government furthermore through her Ministry of Small and Medium Sized Enterprises should stipulate norms and regulations that promote profitability, survival and continuity of SME's.

**Key words**: organizational leadership, leadership competence, organizational culture, organizational climate, business growth, small and medium sized enterprises (SMEs)

Dissertation Supervisor: Prof. Samuel Sangshik Han                460 words

**국문초록**

# 기업 성장을 위한 도구로서의 조직 리더십

## - 카메룬의 중소기업(SME) 사례

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이 연구는 "기업 성장을 위한 도구로서의 조직 리더십: 카메룬의 중소기업 사례"라는 제목을 붙였다. 조직 리더십이 수익성, 생존성, 지속성 측면에서 기업 성장에 영향을 미치는 이유를 연구했다. 일반적으로, 이 연구는 조직 리더십이 기업 성장에 영향을 미치는지 검토하고자 했다. 구체적으로 리더십 역량이 기업 성장에 영향을 미치는 정도, 조직 문화가 비즈니스 성장에 영향을 미치는 정도, 조직 풍토가 기업 성장에 영향을 미치는 정도를 연구하고자 했다. 이를 전제로 일반 연구문제 1개와 구체적인 연구문제 3개가 작성됐다.

문헌연구는 개념적으로, 이론적으로, 그리고 경험적으로 검토되었다. 개념적으로 조직 리더십, 리더십 역량, 조직 문화, 조직 환경, 기업 성장을 검토했다. 행동 이론과 스타일 이론, 기능적 리더십 이론, 상황 및 우발성 이론이 검토되었다. 연구 변수와 관련된 사례 연구는 경험적으로 검토되었다.

연구 질문을 테스트하기 위해 설문 조사 설계를 사용했다. 연구 지역은 카메룬의 북서부와 남서부 지역이었다. 표본 규모는 응답자 298명(관리자 104명, 직원 194명)으로 구성된 중소기업(SME) 관리자와 직원 104명으로 구성됐다. 비확률 표본 추출 기법, 특히 목적적 표본 추출 기법을 사용하여 응답자를 선정했다. 점검표와 설문지는 응답자로부터 정보를 수집하는 데 사용되었다. 수집된 데이타는 기술 통계 특히 백분율을 사용하여 분석되었다. 표, 막대 그래프 및 원형 차트에는 계산된 결과가 나왔다.

리더십 역량은 기업 성장에 35% 영향을 미치며, 조직 문화는 비즈니스 성장에 33% 영향을 미치고, 조직 풍토는 기업 성장에 32% 영향을 미친다는 연구 결과를 얻었다. 전반적으로 조직 리더십이 기업 성장에 영향을 미친다는 것을 나타낸다.

위의 연구 결과를 통해 우리는 조직 리더십이 기업 성장에 영향을 미친다는 결론을 내렸다. 연구결과는 중소기업의 경영에 필요한 역량(필요한 기술, 지식, 태도)을 갖춘 적격 인력을 채용할 것을 권고하며, 역량강화 워크숍, 세미나, 컨퍼런스, 보수과정 등을 구성하여 직

원 전문성을 지속적으로 계발할 수 있도록 해야 한다. 또한 모든 이해당사자와 협력하여 사회적 책임과 관련된 제약을 통제하기 위해 노력해야 한다. 또한 중소기업 발전에 유리한 여건을 조성할 수 있도록 기반시설을 개선해야 한다. 더 나아가 정부는 중소기업부를 통해 중소기업의 수익성, 생존성, 지속성을 증진하는 규범과 규제를 규정해야 한다.

**주제어**: 조직 리더십, 리더십 역량, 조직 문화, 조직 환경, 기업 성장, 중소기업.

# CHAPTER 1

# INTRODUCTION

Over the years, institutions have viewed organisation as a foundation upon which the whole structure of management is built. Consequently, they embark on building relationships for the purpose of enabling people to work most effectively together in accomplishing objectives. Organisation is generally viewed in four different senses. Firstly, it is a dynamic process and a managerial activity which is essentially for planning the utilization of company's resources, plant, equipment materials, money and people to accomplish objectives. Secondly, it is the structure of relationships and job positions created to attain the objectives of the organisation. Thirdly, it is a group of persons contributing their efforts towards the achievement of stated goals. Fourthly, it is a system made up of components each of which has unique properties, capabilities and mutual relationship. The process of identifying and grouping the work to be performed, defining and delegating responsibility and authority within the system is implemented by the various units or parts.[1]

These parts cannot function without proper identity, integrity, differentiation and profitability. The success of these attributes can only be guaranteed by a strong organizational leadership. In every organisation, leaders help set strategic goals while motivating individuals within the group to successfully carry out assignments in service of those goals. They make concise and adequate decision at a particular point in time

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[1] Shubham Srivastava, "Definition, Meaning and Characteristic of Organization," *Academia* 2 (2016): 12.

considered the right time.  Organizational leadership styles range from transformational, democratic, autocratic, laissez-faire, bureaucratic, servant, transactional to situational. Irrespective of the style, they possess different competences that are influenced by the organisational culture and climate. Leadership is a broad concept visibly practiced by various institutions across the globe.  For example, educational leadership in the case of educational institutions (Instructional leaders), Christian leadership in the case of religious institutions and organisational leadership in the case of a business institutions. Irrespective of the type of institution, leadership is crucial as it enhances productivity and the achievement of organizational goals.

**1.1 Background to the Study**

The growth of businesses from sole proprietorship organizations to multi nationals is carried out by all stakeholders within the organisational environment or community, be they authorities, administrative staff, support staff, customers, debtors and creditors, government, persons from socio-professional circles, regional and local authorities to name a few. Some stakeholders have more access to power to influence the shaping of these entities. The more powerful are usually the formally designated leaders of the organisation, who enact a variety of policies in specific socio-economic and socio-political contexts to construct preferred organizational cultures and values. They create, organize, manage, monitor and resolve value conflicts of many different people which reflect the view of the world constructed by each stakeholder. This research addresses the concept of organisational leadership as a tool for business growth while studying the relationship that exist between a leader's competence and performance on business growth. An in depth understanding of organisational leadership will be done with the aid of the variables organisational culture, organisational climate, leadership competencies and business growth.  The importance of organisational leadership as well as the challenges faced by organisational leaders will not

be left out.

Organisational leadership is usually formal or informal. Formal Leadership emanates from structure of the organization. Any person who is officially designated as the leader of a group is a formal leader. An example of this kind of leadership is the CEO of a company. It is his job to organize the available resources, work out the logistics and motivate the members of the team to carry out their tasks to the best of their abilities. Formal leaders have authority and certain rights and privileges. They wield power over the group and have the authority to discipline and punish errant members. Their authority also gives them the ability to give rewards to the group.  Authority and power usually come in the form of orders or commands.  An informal leader may not, or may, have official authority in the organization. They often create influence by connecting with others and building relationships. An informal leader is a person who's not officially appointed as the head of a group. However, the other members look to him for motivation and inspiration.

Though the CEO is the formal leader of a company, the employees may look up to a colleague who, they believe, shares their goals and visions and has some knowledge or experience that will help them realize their goals. Although these leaders are not in a formal position of leadership, they are recognized as leaders by their peers. The informal leader, on the other hand, does can't formally take action against any members of the group, nor is he able to reward his teammates. He has to rely on open communication, a shared vision, guidance and charisma. The informal leader has to lead through example, individual behavior and personality.[2] Organizational culture is the characteristic and the tangible

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[2] Gil Luria and Berson Yair, "How Do Leadership Motives Affect Informal and Formal Leadership Emergence?" *Journal of Organizational Behaviour* 34, no. 7 (2013): 998.

personality originated inside every organization. In other words, it is the medium by which organization expresses itself to its employees or members.

The core of the culture is formed by the values which are not visible but are shared by people even when membership in group changes. Shared values and norms focus employees' attention on organizational priorities and guide their behavior and decision making. Six main types of corporate cultures exist in business organizations (i) empowerment, (ii) innovation, (iii) sales, (iv) customer centric, (v) leadership excellence, and (vi) safety. Businesses with an organizational culture tend to be more successful than less structured companies because they have systems in place that promote employee performance, productivity and engagement. Having a strong company culture motivates everyone to do their best work. Organizational climate is the way employees experience their work environment.  For example, what is it like to work in the organization?  How do individuals feel when operating in the organization's culture? How do business conditions, management decisions, and leadership actions affect the general working mood? When the collective experience of all the talents in the organization are considered, then one is evaluating climate. Leadership competencies is the knowledge, skills and attitudes that contribute to superior employee performance. By using a competency-based approach to leadership, organizations can better identify and develop better generation of leaders.

Business growth is a stage where the business reaches the point for expansion and seeks additional options to generate more profit. Business growth is a function of the business lifecycle, industry growth trends, and the owners desire for equity value creation. These owners of the business are called shareholders; they represent a higher authority with the final say. This goes to show the complexity of leadership levels within a business organizational structure. Stewardship has existed throughout history till date. Stewardship is

a practice by which productive resources (human, material, financial) owned by an individual or corporation are managed by another person or group of persons. When the management is delegated to the board of directors, the board renders periodic reports to the owners of the company to enable them see the growth and financial position of the company. In the bible we read about stewardship in Saint Matthew's gospel chapter 25:14-30 where a very rich man went on a journey and before departure, he entrusted his property to three of his servants. On his return, he asked each of his servants to give an account of the resources entrusted to them. He was not pleased with the servant who had not profitably used the resources. Today, business managers manage the resources of shareholders and give a periodic report (financial statements) also known as stewardship accounting.

Organizational leadership has evolved over time. The early twentieth century was characterized by mass production and the emergence of large monopolies. Leaders such as Thomas Edison were considered to be born and not made. Therefore, the Great Man theory of leadership was generally accepted. Max Web**er** (1864–1920) led the thinking about organizations with a rational and mechanical approach that emphasized strict rules to control workers to maximize efficiency. Units of workers needed to mesh and run like the cogs in the machines of large factories and mills. Henry Fayol was a pioneer in framing the concept of management in these organizations. He defined the roles of managers as organizing, leading, planning, controlling, and coordinating. Frederick Taylor**'s** ideas led to the need for experts to determine the one best way to achieve a task. Work became standardized and people received training to perform those tasks. Mary Parker Follett was a social worker who rejected many of these ideas. She is credited with laying the foundation of the human relations movement of management based on the reciprocal relationships of workers and their supervisors. She believed managers should have power with workers rather than power

over workers, and that the whole was greater than the sum of its parts. She is known for her work on negotiation, dispute resolution, and win-win interactions.

Following Follett's lead, Elton Mayo also focused on the importance of personal interactions and relationships in work as the Hawthorne Studies (in which work environment factors were manipulated to determine physical and social changes in workers) became the model for the study of work. In the mid twentieth century, Abraham Maslow**'s** psychological theory of the hierarchy of human needs (from basic physiological needs to self-actualization) began to drive organizations to consider factors other than monetary rewards in their management of workers. Douglas McGregor was another psychologist whose ideas were consistent with Maslow's model. He identified Theory X as a management model in which employees are viewed as lazy with a dislike for work; therefore, tight controls, coercion, blame, and incentives are needed for work to get done. He balanced that view of people with Theory Y in which managers assume people are ambitious, are self-motivated, and want to do well at their work—which is a strong motivation in itself. By engaging workers in decisions about their work, they can use all of their talents to control and direct their own work.

Three leadership theories are used for this study. Firstly, the behavioral and style theories view leadership as a set of behaviors and styles. David McClelland, in a study was of the view that leadership could be viewed as a strong personality when there is a well-developed positive ego. Self-confidence and a high self-esteem are very useful too, perhaps we could say even essential. B. F. Skinner in his behavior modification theory holds that leaders should increase productivity by using positive reinforcement to ensure that a desired behavior is repeated and negative reinforcement to stamp out a negative behavior. Secondly, viewing the situational and contingency theory, it assumes that different situations yeild

different characteristics. In accordance with the theories mentioned above, there is no single optimal psychographic profile in which a leader could be viewed. So it can be said, what is done by an individual while acting as a leader is in large part dependent upon characteristics of the situation or circumstance in which he functions.

Thirdly, the functional leadership theory which addresses specific leader behaviors that are expected to contribute to organizational effectiveness which argues that the leader's main job is to see that whatever is necessary to group needs is taken care of; thus, a leader can be said to have done their job well when they have contributed to group effectiveness and cohesion, show concern for employees, intellectual stimulation, and providing a group vision.[3]

In Cameroon as in many other African countries, some organisations have failed and liquidated because of some leadership challenges. Notably amongst them leadership incompetence and malpractices leading to conflicting interest with that of the organisation. In most cases, leaders prioritise their interest over the business interest. This results in misappropriation, mismanagement and embezzlement of funds. Consequently, the goals and objectives of the organisation are fully attained.  Business organizations in Cameroon are categorized differently. They have been categorized as "large-sized enterprises". It may be valid in view of the operational features in Cameroon alone, but if one defines SMEs as the enterprises with disadvantages, compared with ordinary operating enterprises, because of their smaller size, and if they are assessed in view of global business operation, then they are definitely the enterprises with disadvantages. The enterprises in Cameroon under the category of large-size enterprises include: (1) foreign-capital or foreign-affiliated enterprises

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[3] P. K. Saxena, *Principles of Management: A Modern Approach* (New Delhi: Global India Publications PVT LTD, 2009), 45.

operating in the agro- and forestry-based export industries, (2) state-established enterprises in essential industries of Cameroon, large plantation sectors, the agro-processing sectors, service industries such as finance, transportation and communication sectors, and the enterprises which were privatized after being state-established enterprises of these categories, (3) foreign-capital or foreign-affiliated enterprises established in Cameroon targeting the domestic market in Cameroon or regional markets in neighboring countries of Cameroon, and (4) enterprises in the modern distribution sector, or those which moved into manufacturing of the commodities they have formerly distributed. The medium-sized enterprises are those of: (1) foreign-affiliated or local-capital manufacturers targeting domestic markets in Cameroon and regional markets in the neighboring countries of Cameroon, and (2) distributors, whether financed by foreign or local capital, in the modern distribution sector.

Small-size enterprise is the category of enterprise with the largest number of enterprises among other categories. Their management features are quite diversified. In the upper level of this category, there are two types of small-size enterprises: One is the enterprises, which have a certain level of internal management organization and are operating in such sectors as furniture and wood product manufacturing, textile and garment manufacturing, processing of food and agro-based products, and manufacturing of building materials, etc. Another is the local-capital enterprises that have developed and are being operated in the field of supporting industries underpinning large enterprises, although number of this type of enterprise is still small. The enterprises in (1) above are targeting customers in their neighboring area, who will visit the company's site to buy products, compared to the medium-size enterprises, which target all parts of the domestic market. Many of the owners of this type of enterprise are highly motivated, interesting in distributing their products through the modern distribution sector, or even engaging in export business.

However, they cannot accommodate large size orders because of their limited production capacity and insufficient facilities and equipment. They also have problems of limited knowledge on technical and managerial requirements in the export markets. Further, they have difficulty in securing the funds needed for their expansion and upgrading, due to high interest rates of the available loans and despite their capability to provide collateral. The enterprises above are operated stably, and have the potential for growing further, with assistance from their customers, which are large enterprises, in obtaining technical skills, and in accessing loans from banks. There are many small-size enterprises, which are still in an infant stage as an enterprise, in the lower level of this category next to the above, being operated in the same manufacturing industries. They are also targeting customers in the neighboring areas of their operating site, processing the products manually and having very limited facilities.

In most of the world's economies, small and medium-sized enterprises (SMEs) are regarded as vectors for job and wealth creation. This dynamic presence helps generate growth and redistribute wealth in developed and developing countries alike. Their important role in reducing poverty in the African countries is also gaining recognition. However, the venture creation and development process require an enabling environment which should provide sufficient quantities and qualities of physical, financial, human, information and relationship resources. The World Bank[4] defines Medium Enterprises (MEs) ass those enterprises with maximum 300 employees, $15 million in annual revenue and $15 million in assets. The European Union defines small and medium sized enterprises (SMEs) as

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[4] World Bank, "Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises," (Washington, DC: World Bank Group, 2013), 7.

enterprises which employ fewer than 250 persons with an annual turnover of up to 50 million euros.

In 2018/19, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Most of these reforms addressed aspects of starting a business, dealing with construction permits, getting electricity, and paying taxes; the least reformed area was resolving insolvency. The most common reform features included advancing the functionality of credit bureaus and registries, developing or enhancing online platforms to comply with regulatory requirements, improving the reliability of power supply, reducing certain taxes, strengthening minority investor protections, streamlining property registration processes, and automating international trade logistics. Low-income economies accounted for 11% of all the regulatory changes, with Togo implementing the highest number of reforms (five).[5]

The Cameroon economy has performed satisfactorily since 1996, with growth of more than 4 per cent a year and low inflation (less than 3 per cent). The country also has better education and health indicators than the rest of sub-Saharan Africa. However, it suffers from weak institutions and persistent corruption that hampers development projects. Medium-term prospects depend very much on solving problems of governance, especially making good use of the debt remission obtained under the Heavily Indebted Poor Countries (HIPC) Initiative. But in the short term, support from international funding agencies and the spin-off from building the Chad-Cameroon oil pipeline should ensure good investment performance.

Since devaluation in January 1994, Cameroon has seen renewed growth of between 4 and 5 per cent a year. Population increase has been about 2.7 per cent over the period,

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[5] World Bank, ed., "Doing Business 2020: Comparing Business Regulation in 190 Economies" (Washington, DC: World Bank Group, 2019), 7.

resulting in GDP per capita growth of between 1.5 and 2.7 per cent. Apart from its economic

vigor, Cameroon has stood out among its neighbors in recent years for its steady

performances (despite erratic results in the oil sector), demonstrating its relatively broad-

based productive capacity. In the early 1980s, Cameroon's economy was heavily dependent

on oil. But from 1986, oil production fell in volume, from 9 million tons to 5 million in

1997. At the same time, the price dropped sharply because of the oil slump and the fall in the

US dollar. Oil accounted for 20 per cent of the country's GDP (in current dollars) in the early

1980s but only 5.6 per cent in 1998/99. Agriculture remains a key sector of the economy,

making Cameroon self-sufficient in food, unlike its neighbors. Agriculture employs 70 per

cent of the working population and brings in 40 per cent of export revenue. Food crops have

enjoyed good weather since the mid-1990s, resulting in good harvests and a steady annual

growth in production of between 3 and 8 per cent since 1995. Export crops face problems

however due to the fall in world prices and because of disruptions in the cocoa and coffee

sectors following privatization.

A study by the National Institute of Statistics [6] have resulted in the following

classification of enterprises in Cameroon (i) very small enterprises (VSE); (ii) small

enterprises (SE); (iii) medium-sized enterprises (ME); (iv) and big enterprises (BE), based

on the volume of turnover and the size of employed staff, 93969 active enterprises were

surveyed, of which 33004 production units were found in Douala and 22436 units were

located in Yaoundé representing 59% of the total number of enterprises located in the two

main cities of the country. The rest of the national territory is shared by the remaining 41%

of enterprises. The examination of the distribution by type of unit reveals that the very small

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[6] National Institute of Statistics, *Recensement Général des Entreprises 2009* (Yaoundé: Principaux Report, 2009), 38.

production units' account for more than two-thirds of all the enterprises surveyed. Very small enterprises employ at most 5 persons. Regarding activity sectors, tertiary activities come first as they make up 86.5% of the enterprises surveyed, followed by the secondary sector (13.1%) and the primary sector (0.4%).

Again, with respect to the legal form, sole proprietor enterprises account for 89% of the enterprises surveyed. Joint stock companies such as corporations (Plc), limited liability companies/enterprises (Ltd) and other limited liability companies having one proprietor, represent only 11% thereof. Similarly, it was observed that 8 commercial enterprises out of 10 are sole proprietor enterprises. They are mainly run by Cameroonians. Joint stock companies such as corporations, (Plc) and limited liability companies/enterprises (Ltd) are mostly run by foreigners, especially the French, other European nationals and Americans. Indeed, one Plc out of three and 37% of Ltd are managed by aliens.

### 1.1.1 Business environment in Cameroon

Cameroon is a Central African country that is a member of CEMAC. As it looks towards the horizon 2035, Cameroon would like to be an "emerging country" with an economy "characterized by a predominant industrial and manufacturing sector (in terms of GDP and exports) and effective integration into the world economy"[7]. By 2030, Cameroon plans to have a healthy, competitive and diversified manufacturing sector able to reverse the current foreign trade structure (exports and imports)[8]by exporting more manufactured goods than primary products. Given that the best economies are those in which governments have

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[7] MINEPAT, *Document de Stratégie pour la Croissance et l'Emploi* Report (Yaounde: Ministre de l'Economie, de la Planification et de l'Aménagement du Territoire, 2010), 51.

[8] MINEPAT *Document* states "La nouvelle Stratégie Nationale de Développement du Cameroun (SND30) assure que la gouvernance est le socle sur lequel repose la transformation structurelle de l'économie du Cameroun, le développement du capital humain ainsi que l'amélioration de la situation de l'emploi."

introduced rules to facilitate market interactions without necessarily inhibiting business development, so it could be said if Cameroon is to achieve its desired goals. A well-designed framework, conducive for business development in general and the development of manufacturing firms in particular should be established. Then a question arises of what, is today's status on the developing business environment? Generally, the business environment seems to have deteriorated in Cameroon. As seen in the World Bank report titled Doing Business, Cameroon's ranking had fallen by ten places between 2014 and 2015, from 148th to 158th.

However, a drop in ranking does not, insinuate or provide sufficient or detailed information on the mechanisms and pitfalls that encourage or hinder the development or growth of business development in the country. It is important to take note that there has been a strong political will since the 1960s, from when Cameroon achieved its independence and began to introduce various structures and mechanisms to boost and support venture creation. Some of these structures are: the CAPME, created in 1970, which is in charge of studying and helping small and medium-sized enterprises; the SNI, created in 1964 to manage and cater for state portfolio firms, while studying public investment opportunities, and directing national savings with the purpose of funding investments;  also the Cameroon Development Bank (BCD), created in 1961 which had as its goals to fund private investments; again the Industrial Zone Development and Management Mission (MAGZI), which is tasked with the development and management of industrial zones; and finally FOGAPE, which is responsible for underwriting loans to SMEs. Meanwhile the institutional infrastructure originally produced good results (it led to the emergence of many firms of different sizes which was good for the economy), however a subsequent decline began to occur. .  Some causes in the decline was as a result of poor management and lack of state means (mainly as a result of the economic crisis), combined with a structural

adjustment, leading to the closure of some of these organizations (BCD, CAPME and FOGAPE) in the late 1980s and early 1990s, and causing a significant reduction in the activities of those that survived (MAGZI and SNI for example).

The development of local business once again became a priority for Cameroon government in the early 2000s, after the previous closure of most of the organizations developed to boost the business economic sector. This led to the creation of some ministries by the government to cater for the Cameroon socio-economic environment. This included two government ministries, Ministry of SMEs, social economy and handicraft (MINPMEESA) and the Ministry of Industry (MINIMIDT). The MINPMEESA had as mission to prepare, implement and assess the government policy for the development of small and medium-sized enterprises, also to assess the social economy and the craft sector, while the latter was responsible for preparing industrial development strategies involving natural resource processing and mining, and technological development in different sectors of the, national economy. [9]

A couple of years later the creation of the afore mentioned ministries was followed by the Investment Promotion Agency (API; presidential decree n°2005/310 dated September 1, 2005), the SME Promotion Agency created in April 2013 and the National SME Bank created in 2013. The bank became functional in July 2015. Some other professional associations, were created. Some of which are best known as the Inter-Employer Grouping of Cameroon, the Union of Cameroon Industrialists. (SYNDUSTRICAM), also known as the Cameroon Inter-Professional Association for the Agro Industries and other Cameroon

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[9] St-Pierre Josée, Luc Foleu, Georges Abdulnour, and Serge Nomo, "Les Freins au Développement des PME Camerounaises: Qu'en Pensent Les Entrepreneurs?" (paper presented at the 6th Africa Business and Entrepreneurship Conference, New York, April, 2015).

enterprises. From a material infrastructures perspective, Cameroon's road network comprises roughly 50,000 kilometers of roads, of which only 10% are tarred. Of this 10%, roughly 25% are in good condition MINEFI. According to MINFI[10], this situation considerably [hinders] the competitive capacity of firms, whose transportation costs are logically higher, given the greater risk of losing products before they reach the market.

Cameroon when viewed from a cultural standpoint is a mosaic. It is a country rich in culture, with nearly 240 ethnic groups creating different cultural sets. Of these ethnic groups, the Bamileke populations situated in the western Cameroon (often referred to as the Grasslands Bantu) are known for their entrepreneurial mindset and business savvy knowledge, for they are successful in a variety of economic sectors (banks, trade, industry, services). Some other examples of entrepreneurial successes in groups located elsewhere in Cameroon could also be seen., Atangana Onana, noted that in the late 1980s that the level of prestige associated with private entrepreneurship had overtaken the prestige associated with civil service. Entrepreneurship when viewed in this light could therefore seem to be perceived and valued favorable by the Cameroon population as a whole, although as mentioned seems to be more prevalent and practiced more in certain cultural groups. Major foreign banks dominate more in the Cameroon's financial sector as compared to non-banking financial institutions which play a minor role in the country.[11]

Irrespective of the high surplus liquidity by banking institutions in recent years with regards to loan operation. Expansion in the sector is seemingly still restrained by the

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[10] MINFI: *Analyse de la Compétitivité de l'Industrie Manufacturière du Cameroun* Report (Yaounde: Ministère Des Finances, 2005), 6.

[11] St-Pierre Josée, Luc Foleu, Georges Abdulnour, and Serge Nomo, "Les Freins au Développement des PME Camerounaises: Qu'en Pensent Les Entrepreneurs?" (paper presented at the 6th Africa Business and Entrepreneurship Conference, New York, April, 2015).

institutions limited ability to obtain information on borrowers. Heavy taxes imposed on

SME's and a 15% interest ceiling on loans to small and medium-sized enterprises (SMEs)

discourage the banks from issuing loans to these SME's and will prefer to deal with the

well-established corporations. A partnership was created between GICAM and five local

banks (BICEC, Afriland First Bank, Société Générale - Cameroun, Ecobank and BGFI) .in

2013, with support from the African Guarantee Fund, leading to the introduction of a new,

50 billion CFA line of credit with a goal of funding expansion, production equipment  in

terms of renewal and modernization investments, with affordable conditions for borrowers

(the interest rate of 10%, including 8% for the banks and 2% for the African Guarantee

Fund). 50% of each loan was to be underwritten by the African Guarantee Fund, with the

remainder being guaranteed jointly by the owner or manager personally, and the funded

equipment is considered as collateral. The loan duration usually will alternate from 18

months to five years. Generally, SMEs have been reporting more challenges they faced in

financing their activities over the years.[12]

   The enterprise survey-shows that 51% of small enterprises (5-20 employees) and 45%

of medium enterprises (21-99 employees) in sub-Saharan Africa consider access to finance

as their major obstacle and this reduces with size. The same survey also indicates that only

38% of big (100 and more employees) enterprises mention access to finance as their major

obstacle. Results from a survey carried out by NIS in 2009 shows that 37.6 % of the SMEs

in Cameroon have problems of access to credit.[13]The 2009 and 2010 Doing Business

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[12] Serge M. Piabuo, Francis M. Baye, and Juliuschupezi Tieguhong, "Effects of Credit Constraints on the Productivity of Small and Medium-Sized Enterprises in Cameroon," *Journal of Economics and International Finance* 7, no. 9 (2015): 207.
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[13] National Institute of Statistics. *Recensement Général des Entreprises 2009, Principaux* Report (Yaoundé: NIS, 2009), 25.

reports show that enterprises in Cameroon passed from 131st position in 2009 to 135th in 2010 as far as access to credit is concerned.

Asides from the financial challenges face by SME's, bad business environment has been pointed out as one of the main predicaments to the development of SME's. Cameroon's business environment is characterized by corruption, long administrative procedures, lack of infrastructures like roads, electricity, a poor legal system and very high transaction costs and custom duties at the ports of shipment. Problems as such have forced SMEs to use inappropriate methods of production or outdated technology to meet up with demands while keeping afloat. The problem of access to credit has always been and remains a major drawback for the growth of SMEs in Cameroon. A bank for SME's was recently created by the Cameron government to ameliorate the situation. Although the said bank is still in the process of implantation, it may respond to the major constraints that SMEs face in financing their activities only if there is an improvement in the general business environment.[14]

A recent survey by the National Institute of Statistics shows there are 93 969 enterprises in Cameroon from which 99.2% are represented by small and medium-sized enterprises (SMEs) with 62% of permanent employees and 31% of turnover before tax of all enterprises in Cameroon. The importance of SMEs has been reiterated as a focal point for the vision 2035 of the 2009 growth and employment strategy. The establishment of the Ministry of Small and Medium-sized Enterprises, Social Economy and Handicraft in December 2004 was an indicator of how important this sector is to the economy of Cameroon.

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[14] Serge M. Piabuow, Francis M. Baye, and Juliuschupezi Tieguhong, "Effects of Credit Constraints on the Productivity of Small and Medium-Sized Enterprises in Cameroon," *Journal of Economics and International Finance* 7, no. 9 (2015): 210.

*1.1.2 SME development challenges in Sub-Saharan Africa*

Developmental obstacles faced by SME's could be managerial, financial or environmental, in nature. This part focuses on those external elements that may potentially have a negative effect on SME development in Sub-Saharan Africa, as identified in past research.

Charles Mambula[15] surveyed 32 SMEs in Nigeria to identify the factors limiting their growth and development. Among the main obstacles identified by the owner-manager respondents were lack of funding, poor infrastructure quality (bad roads, irregular and insufficient water and electricity supplies, poor quality telecommunications systems), and difficulty in obtaining equipment, spare parts and raw materials. Respondents also mentioned the lack of contact with research institutes, in particular for obtaining information on markets, business opportunities and new product development methods.

Lawrence O. Obokoh[16] surveyed 369 manufacturing SMEs in Lagos (also in Nigeria), and identified the following elements as being the main factors in business failure: access to funding (due to the fact that the legislative and regulatory framework did not provide protection for lenders), and inconsistency in the application of government SME development policies (which were often designed without regard for the nature and level of education of beneficiaries). In addition, some policies were often under-funded, and  the

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[15] Charles Mambula, "Perceptions of SME Growth Constraints in Nigeria," *Journal of Small Business Management* 40, no. 1 (2002): 59.

[16] Lawrence O. Obokoh, "Small and Medium Sized Enterprises Development under Trade Liberalisation: A Survey of Nigerian Experience," *International Journal of Business and Management* 3, no. 12 (2009): 98.

qualified personnel were not available in sufficient numbers to meetup with needs.[17]

Tushabomwe-Kazooba [18] conducted a mix-study (interview and questionnaire) using a sample of 133 active SME owner-managers in two locations (Bushenyi and Mbarara) in Uganda, to find the causes of business failure. He identified a number of internal factors (lack of formal accounting, mixing of family and business, no business plan, etc.) and external factors. Of the latter, taxation was ranked first, followed by electricity power cuts, lack of capital and high rental costs.

Ishengoma and Kappel [19] used secondary data to analyze changes in Uganda's business environment between 2004 and 2010. Their findings revealed a significant deterioration during the period under study, and highlighted several external factors restricting business development: limited access to funding, corruption, deficient public services, high taxes, and inefficient administrative services. The study was enriched by a survey of SME owner-managers, which revealed a positive correlation between SME

## 1.2 The Research Problem and Its Setting

The closure of many small and medium sized enterprises within a period of less than five years in Cameroon has been an area of concern and as a result review arose on individual small and medium sized enterprises. Normative discussions of what should constitute best practice for a better understanding of organizational leadership, leadership

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[17] St-Pierre Josée, Luc Foleu, Georges Abdul-Nour, and Serge Nomo, "Les Freins au Développement des PME Camerounaises: Qu'en Pensent Les Entrepreneurs?" (paper presented at the 6th Africa Business and Entrepreneurship Conference, New York, NY, April 17, 2015).

[18] Charles Tushabomwe-Kazooba, "Causes of Small Business Failure in Uganda: A Case Study from Bushenyi and Mbarara Town," *African Studies Quarterly* 8, no. 4 (2006): 6.

[19] Esther K. Ishengoma and Robert Kappel, "Business Environment and Growth Potential of Micro and Small Manufacturing Enterprises in Uganda," *African Development Review* 23, no. 3 (2011): 355.

competence of the managers who spear head the organizations, mastery of organizational culture and organizational climate within which they operate has been of utmost concern to researchers. Ascertaining the relationship that exists between institutional success and organizational leadership especially for developing countries has also been a call for concern.

In most developing economies, small and medium size enterprises are viewed as the heartbeat to economic growth. Consequently, most countries promote the growth of these businesses. Cameroon created policies to facilitate the opening and growth of these businesses with an aim of promoting economic growth. In spite of this effort, a majority of them wind up shutting down, after creation. Many factors have been attributed to this challenging situation. Notably amongst them are lack of; proper organisational leadership, competent leaders, facilities such as manpower and equipment to facilitate smooth running of a business, conflict of interest, poor understanding of organisational culture and organisational climate, absence of leadership flow or proper communication from top to bottom or from bottom to top. In consideration of the awareness on the general leadership situation, this research is focused on leaders of small and medium size enterprises in Cameroon.

Leadership requires the leader to be a steward. For it is in serving that we understand what proper leadership is about as it enables the leader understand the psychology of the people he leads and the environment surrounding him as a leader. The success of an organization depends on its ability to direct and manage its resources and the affairs of the corporation with the objective of enhancing shareholder value which includes financial viability of the business. The need therefore to achieve good corporate governance cannot

be overemphasized. A. Nahavandi[20] in her study reiterates the fact that today's organizations need effective leaders who understand the complexities of the rapidly changing global environment. Different leadership styles may affect organizational effectiveness or performance.

## 1.3 Main Objective

The main objective of this study is to: examine organisational leadership as a tool for business growth; the case of small and medium size enterprises.

Specifically, it intends:

- To find out whether leadership competence influences business growth.
- To find out whether organisational culture influences business growth
- To find out whether organisational climate influences business growth

## 1.4 The Statement of the Problem

Against the afore mentioned background, the main research question of the study seeks to find out: What is the influence of organisational leadership as a tool on business growth; the case of small and medium size enterprise leaders that imply the significance of organizational leadership for the Cameroonian society?

## 1.5 The Sub-Problems

To answer the above research problem while achieving the main objective of the research, the researcher poses three sub-problems.

The first sub-problem is as follows: How does leadership competence influence

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[20] Afsaneh Nahavandi, *The Art and Science of Leadership* (New York: Prentice Hall, 2002), 25.

business growth?

The second sub-problem is as follows: How does organisational culture influence business growth?

The third sub-problem is as follows: How does organisational climate on business growth?

**1.6 Research Questions**

This research has three research questions. These questions are set in relation with each sub-problem. They are as follows:

To what extent does leadership competence influence business growth?

To what extent does organizational culture influence business growth?

To what extent does organizational climate influence business growth?

**1.7 Delimitation**

The study of organisational leadership in this research is limited to organizational leaders in Cameroon.? In consideration of this, generalization is carefully made within the boundary of this delimitation.

**1.8 Limits of the Study**

Delimitation stated in this research represents another limit to the research. Those specificities, are; "small and medium size enterprises" and "Cameroon," cannot fully furnish the explanation of business growth and societal development in general. The findings and conclusions presented through the research could probably provide a reference to the study of a similar group or person under similar conditions.

**1.9 Definition of Terms**

"Cameroon" in this study which is home to more than 250 different linguistic groups, is known as "Africa in miniature" created in 1961 by the unification of two former colonies, one British and one French, referred to as the Republic of Cameron with a multiparty presidential regime. Situated in Central Africa, it shares a border with Chad, the Central African Republic, Equatorial Guinea, Gabon, and Nigeria.

"Leaders" in this study refers to a person in position of authority with the ability to influence, direct while inspiring others to work towards achieving a set goal. He/she coordinates and organises affairs while participating in them.

"Organisational leadership" could be looked as a management approach that works towards the betterment of individuals and what is best for a group as a whole simultaneously. Also it can be viewed as an attitude and a work ethic which focuses on empowering individuals in any role to lead from the top, middle, or bottom of an organization. Organisational leadership involves understanding the cultures, values, environment and climate of the organisation to better lead while being accountable.

"Business Growth" This can be referred to as improving an enterprise success. That is increase in returns on investment over the years, increase in customer base and net worth.

"Small and Medium size enterprises" commonly known as (SMEs), refers to businesses which employ fewer than 250 persons. It should be known the categorization of an SME varies from country and the law as surrounding such businesses vary from country to country but exist in all countries. A sole proprietorship, partnership and some joint ventures could be referred to as SMEs

**1.10 The Importance of the Study**

Leadership has been one of the major problems that has affected Cameroon's development, the importance of this research is to create awareness and while addressing the misconception of organisational leadership in Cameroon contrary to the general concept of leadership. Again, to engage in the historical and current organisational leadership situations in Cameroon with the aim of contributing to a change that will affect a great development in Cameroon specifically SMEs

Over the years not much was written about the issues of the SMEs development from a leadership point of view, while there are lots of books, articles and research reports being published on the general society development and its relationship to the socio-political leadership.

The significance of this research lies in four aspects of contributions it could have social, economic, political, and leadership significance to societies.

First, this research highlights the significance of leadership competence for business growth then societal development. This research searches for the leadership and managerial mechanisms found in the concept of organisational leadership to provide an achievable point of view as well.

Secondly, this research presents the significance of organizational leadership in implementing a leadership strategy for societal development. The researcher analyses various concepts of leadership, historical view, foundational view and a brief biblical point of view to portray significant influence of leadership in the business sector of Cameroon. This study also aims at providing a relevant and effective communication means to present the findings of the study to the Cameroonian leaders beginning with business leaders.

Thirdly, this study highlights the significance, of leaderships role in critically evaluating the current organisational leadership situation in Cameroon. That is to throw light while diagnosing the weaknesses and strengths of leadership competence and how organisational culture and climate play a role on business growth.

Summarily, this research on the influence of organisational leadership on business growth will be significant to business organisations in Cameroon. It might increase production, sales, build confidence and create market opportunities. Furthermore, it might lead to further study in other countries.

**1.11 Research Methodology**

A qualitative research methodology specifically Action Research will be used for this study. This research type is aimed at solving business growth problem that arise as a result of organizational leadership variables. The information obtained will help ameliorate local organizational practice. Upon identifying the research problem, the researcher will gather necessary data, analyse them descriptively and interpret the findings while developing an action plan on the way forward. The purposive sampling technique will be used for the study. The instruments for the study will be a check list and a questionnaire. Descriptive statistical tool, specifically percentages will be used to analyse the data and Bar Charts will be used to represent the calculated percentages.

# CHAPTER 2

# REVIEW OF LITERATURE

This chapter aims at developing the conceptual framework, theoretical framework and empirical literature on the relationship between organisational leadership variables and business growth. This research makes use of three theories, the Behavioural and Styles theories, the Situational and Contingency theories and transactional and transformational theories which are all developed to explain the independent variable (organizational leadership) and the dependent variable (business growth). The concepts of organization, leadership, organisational leadership, leadership competence, organisational culture, and organisational climate are fully developed. An empirical literature presents past studies on some attributes of business growth which includes profitability, adaptability and survival amongst others.

## 2.1 Conceptual Review

The primary focus of this section is to conceptualise the influence of organisational leadership on business growth. The concepts of leadership, organisational, leadership, organisational leadership, leadership competence, organisational culture, organisational climate and business growth is reviewed.

### 2.1.1 Organization

The concept 'organization' is a very broad term and can be referred to in multiple ways. In the business world, an organization is an entity formed for the purpose of carrying on commercial enterprise.  It consists of a team or a group of people that work together for

their benefits on a continuous basis towards the attainment of organizational goals and objectives. Examples of organizations include manufacturing and service firms, schools, hospitals, churches, military units, retail stores, police departments, volunteer organizations, start-ups, and local, state and federal government agencies.[21]

Organizations can be located in the public sector or in the private sector, they can be unionized or not, they can be publicly traded or they can be privately held. If they are publicly traded, senior managers typically are responsible to a board of directors, which may or may not take an active role in, how the firm is running. The managers themselves may or may not own shares of the firm. If the firm is privately held, it may be run by the owners or the manager's report to the owners. Firms can also operate in the profit or the non-profit sector. Senior and Fleming describes organization as a combination of individuals, people or groups trying to influence others to achieve certain objectives by using different processes and technologies in a structured way. They may consist of social arrangements of certain groups in a formal way to achieve certain objectives and having well defined boundaries and limitations.[22] So, the organizations can be taken as group of people, team or social entities that are structured, goal directed and to work for a common task by sharing and coordinating their knowledge, skills experiences and activities.

Organizations make use of leadership frameworks to determine what is expected of their leaders in order to boost business success. Some believe that in order to be meaningful, such frameworks need to be a reflection of the organization's cultural DNA and also should provide people with a clear sense of how they can attain the company's desired

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[21] Mary Jo Hatch, *Organization Theory: Modern, Symbolic, and Postmodern Perspectives* (Oxford University Press, 1997), 12.

[22] Barbara Senior and Jocelyne Fleming, *Organizational Change* (London: Prentice Hall 2006), 10.

strategic goals. These models when implemented will provide the organization with clarity, consistency and a common language for determining, assessing and developing leaders while helping them progress through the organization. They can be used to reinforce the current culture or embed change during a period of transition. [23]

## 2.1.2 Leadership

The Anglo-Saxon etymological origin of the words lead, leader, and leadership is "laed', which stands for "path" or "road." The verb leaden means "to travel." Thus, a leader is one who shows fellow travelers the way by walking ahead. This metaphor of the leader as helmsman is still very much on the mark. Unfortunately, the clarity of leadership's etymology is rarely matched with clarity of meaning. Papers, books, and articles claiming to delineate leadership proliferate, yet their conclusions can be confusing and even conflicting. Indeed, one of the major scholars of leadership has observed that there are almost as many definitions of leadership as there are persons who have attempted to define the concept. Stogdill, in his 'Handbook of Leadership', reviewed seventy-two definitions proposed by leadership researchers between 1902 and 1967. Among the more popular are descriptions in terms of traits, behavior, relationships, and follower perceptions. [24]

Some problems faced when dealing with the subject of leadership includes leadership being looked at as both a property and a process. From the context of property, leadership is viewed as a set of 4 characteristics, that is role behaviors and personality attributes that make certain people more effective in attaining a set of goals. As a process, it is viewed

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[23] Lee Wallace Smithson, *Meta-Leadership in a Mega Disaster: A Case Study of Governor Haley Barbour's Leadership During Hurricane Katrina,* Thesis, Montreal: Carlifornia: Naval Post Graduate School, 2014.

[24] Manfred F. R. Kets de Vries, "The Leadership Mystique," *Academy Management Perspectives* 8, no.3 (August 1994): 17.

from the effort made by a leader, that is drawing on various bases of power, to influence members of a group to direct their activities toward a common goal.[25]

Leadership is a concept widely used in business and other organizations now days. It is an art of motivating a group of people to act towards achieving a common goal. In business organization it deals with directing employees towards meeting the needs of the organization. The art is implemented by a person called a leader.

A leader is an individual who establishes direction for a working group of individuals and who gain commitment from this group of members to established direction and who then motivate members to achieve the organization's outcomes.[26] One of the most common ways to define leadership is through observing individual leaders and analyzing their internal personality traits which make them successful leaders. This approach fits within the individualistic leadership camp. It is the duty of leaders to get things done through the coordinated efforts of others.

Consequently, leadership strategies must translate into the subordinates' performance and the achievement of success by the organisation.[27] The term leadership can be viewed through multiple angles and concepts. Traditionally leadership is a set of features owned by

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[25] Manfred F. R. Kets de Vries, "The Leadership Mystique," *Academy Management Perspectives* 8, no.3 (August 1994): 17.

[26] Jay Alden Conger, *Learning to Lead: The Art of Transforming Managers Into Leaders* (San Francisco: Jossey-Bass, 1992): 200.

  "Conger's learning to lead is designed to help first-time managers understand the nature of the transition from being a great individual contributor to being a team leader, and to develop the critical people skills that often make the difference between longer-term career success and failure."

[27] Emmanuel Ogbonna and Lloyd C. Harris, "Leadership Style, Organisational Culture and Performance: Emperical Evidence from UK Companies," *International Journal of Human Resource Management*, no. 2 (2000): 766.

the leader or it is a social phenomenon that comes from relationship with groups. According to Riaz,

> Leaders are authentically viewed as transformational when they increase awareness of what is right or good, important and beautiful. When they help to boost followers' needs for achievement and self-actualization, again when they contribute in followers' higher moral maturity and when they grow followers to go beyond their self-interests for the good of their group, organization or society.[28]

Ultimately, the quality of the relationship between leader and follower determines the quality of the leadership. "Two important aspects of leadership remain constant: leadership is a relational phenomenon that occurs between people, and the fundamental goal of leadership is to remain as effective as possible.[29]. These concepts can give different opinions about the definition of leadership. It is a generally belief that leadership comes either from the personal qualities of a leader or a leader makes followership through what she/he does or believes. [30] Attributes are the raw ingredients of performance: They are the capabilities needed by people to do their jobs. Practices are what people do with the attributes they possess and are described by observable on the-job behavior

Klemp believed practices also are reliant on the presence of attributes. For example, one cannot "make tough decisions" (a practice) without a high degree of "self-confidence" (an attribute). Possessing the required attributes, however, does not necessarily guarantee

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[28] Riaz Omar, *Spirituality and Transformational Leadership in Education* (Germany: Lap Lambert Academic Publishing, 2012), 10.

[29] Sen Sendjaya, and James C.Sarros, *Personal and Organisational Excellence through Servant Leadership: Learning to Serve, Serving to Lead, Leading to Transform* (Washington DC:Springer International Publishing, 2015), 99.

[30] Keith P. Grint, "Problems, Problems, Problems: The Social Construction of Leadership," *Human Relations* 58 (November 2005): 1469.

that the required behaviors (practices) will be demonstrated (for example, not all highly self-confident people make tough decisions when the situation calls for them), but it certainly increases the likelihood that the behaviors will be demonstrated consistently over time. Being able to distinguishing leadership practices from leadership attributes could help answer the question of whether leaders are "born" or "made." Leaders are "born" to the extent that they develop certain qualities or characteristics early in life and have the opportunity to nurture their native capacities, motivations, and preferences. However, not everyone who has the necessary attributes will emerge as a leader. Leadership comes from having the "right stuff" plus being able to thrust into situations that call upon one's internal resources to rise to the challenges of leadership. While the presence of role models and mentors can speed up the process, and recognizing that education also plays an important part in preparing the leader. There is no substitute for experience and accountability in molding people with the right attributes into capable leaders.[31] Grint also highlights position problems with the leadership. The leader by virtue of his position, has the true authority to decide or implement and he is the only person in front who takes decisions for the group.

The terms 'management' and 'leadership' can be used interchangeably and both management and leadership are words which evoke multiple meanings. Managers can demonstrate leadership and likewise a leader can have managerial skills. In recent times leadership has been rediscovered and reconstituted to take a newly elevated position in the world of management theory and practice, as pointed out by Bennis and Nanus.

> "Management typically constitutes a set of contractual exchanges. What gets
>
> exchanged is not trivial: jobs, security, and money. The result, at best, is

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[31] George Klemp, Cambria 2018. https://www.cambriaconsulting.com/george-klemp (accessed June 21, 2020).

compliance; at worst you get a spiteful obedience. The end result of leadership is completely different: it is empowerment. Not just higher profits and wages but an organizational culture that helps employees generate a sense of meaning in their work and a desire to challenge themselves to experience success"[32] society.

Recent reviews consider leadership as "a process whereby an individual influences a group of individuals to achieve a common goal". [33] Another view about leadership is that "leadership is like the Abominable Snowman; whose footprints are everywhere but who is nowhere to be seen".[34] Summarily a leader is a person who is in charge and has authorities to take decision and also has powers to implement his/her decisions. The selection of the leader not only depends on the personal characteristics of personal but also on the social and cultural factors along with his/her exposure towards life. [35] Different leadership styles are used by leaders in organizations.

Leaders and leadership have become a very sought-after commodity. Bennis states that many American companies are 'over-managed and under-led' saying, 'I tend to think of the differences between leaders and managers as those who master the context and those who surrender to it'.[36] This shift in focus, which elevates leadership from the pitfalls of

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[32] Warren G. Bennis and Burt Nanus, *Leaders: The Strategies for Taking Charge* (New York: Harper and Row, 1985), 24.

[33] Northouse, P. *Leadership: Theory and Practice.* 3rd ed. (Thousand Oaks, CA: Sage, 2004), 128.

[34]. Warren G. Bennis and Burt Nanus, *Leaders:The Strategies for Taking Charge* (New York: Harper and Row, 1985), 36. Bennis and Nanus viewed" leadership as the more comprehensive concept of the two and, further, presented leadership as the preferred alternative to management. For example, they suggest that, "managers are people who do things right and leaders are people who do the right thing."

[35] Bolden, R. "Leadership, Management and Organisational Development." In *Gower Handbook of Leadership and Management Development*, edited by J. Gold, R. Thorpe, and A. Mumford (London: Routledge, 2010), 11.

[36] Warren G. Bennis and Burt Nanus, *Leaders: The Strategies for Taking Charge* (New York: Harper and Row, 1985), 45.

managerialism, is now common. Leadership has been rediscovered, apparently, as an attempt to address the contemporary social and economic conditions faced by organizations. Leadership and leaders are thought to possess more of the qualities to address the contemporary organizational challenges than management and managers.

Leadership style is the way and approach of providing direction, implementation plans, and people motivation. A group of researchers, led by Kurt Lewin identified different styles of leadership. This early study has been extremely resourceful and has established three major leadership styles. These three major styles of leadership are:

1. *Authoritarian or Autocratic*

The Authoritarian style is used when leaders tell their employees what they want done and how it should be accomplished, without seeking the advice of their followers. This style is appropriate to use when all the information and facts necessary for decision making are available, when one is short on time, and one's employees are highly motivated. In some people's opinion this style is a vehicle for yelling, using demeaning language, and leading followers by threats and abusing their power. This then is not the authoritarian style, rather could be referred to as an abusive, unprofessional style called bossing people around. This doesn't portray a good image of the leader. This style should be used occasionally If one has the time and want to gain more commitment and motivation from other employees, then one should use the participative style.[37]

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[37] Chaitail C, "Leadership Styles: 9 Different Leadership Styles (With Advantages and Disadvantages)," *EconomicsDiscussion.net,.* 2020. https://www.economicsdiscussion.net.

## 2. *Participative or Democratic*

The participative style involves the leader and one or more employees in the decision-making process (they determine what to do and how to do it). The leader, however, holds the final decision-making authority. Usage of this style doesn't represent weakness on the part of the leader; rather it is a sign of strength and most employees respect that. Normally, this is used when the leader has part of the information, and his/her employees have the other parts. It should be noted that a leader is not expected to know everything, that is why knowledgeable and skill full people are employed. This style when used presents multiple benefits because it allows everyone in the organization to become part of the team and allows better decision making and provides a sense of belonging which is motivating to the employees.

## 3. *Laissez-Faire or Free Reign*

The laissez faire style allows the employees and leader to make the decisions together. The leader however, is still responsible for all the decisions that are made. This style is used when employees are capable of analysing the situations and determining what needs to be done and how to do it. One person cannot do it all. So, priorities must be made and certain tasks delegated. This style should not be used as a shield to blame others when things go wrong, rather it should be used when one fully has confidence and trusts in the people you are leading. Do not be afraid to use this leadership style, rather use it wisely. This style referred to as laissez faire which could also imply non-interference in the affairs of others. Conclusively, it could be said that a good leader uses all three styles, which will be

dependent on what factors, forces and circumstance faced by the leader and the followers at the moment.[38]

### 2.1.3 Organizational Leadership

Organizational leadership is a managerial ability that ensures the acquisition and protection of stakeholder interest. Employee's needs and company targets are galvanized to create a better environment that will foster the achievement of common goals. [39] Organizational leadership has a central role in building an organization. It can help the members and working teams to embrace the challenges and strategize towards the attainment of organizational goals. Organizational leadership promotes change through its vision and strategy.[40] Senior.B and Fleming.J discusses the issues surrounding leading (as opposed to managing) organisational change using a combination of theoretical and practical illustrations. In doing so, they address the differences between management and leadership. The authors in their study concluded that leadership practices must change and develop in accordance with the macro-level changing organisational environment (that is, from a mechanistic environment to one that is based on knowledge, innovation and creativity) in addition to the micro-level of the changing lifecycle of the organisation itself.[41]

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[38] Chaitail C, "Leadership Styles: 9 Different Leadership Styles (With Advantages and Disadvantages)," *EconomicsDiscussion.net,.* 2020. https://www.economicsdiscussion.net.

[39] Sansom G. "Leadership Style: UTS Centre for Local Government," In *Handbook of Qualitative Research,* by Stake R. E, edited by N. K. Denzin and Y. S. Lincoln (London :Sage, 1998), 34.

[40] Terrence E. Deal and Allan A. Kennedy,Corporate Cultures: The Rites and Rituals of Corporate Life, (Washington DC: Addison-Wesley Publishing Company, 1982), 20.

[41] Senior.B, and Fleming.J. *Organizational Change.* 3rd ed. (London: Prentice-Hall, 2006), 250. Senior states "There is 'one best way' to lead, and there is no 'best' way."

In this era of rapidly changing business trends and increased customer demands, the role of leadership is so indispensable. They are seen as strategists. Strategic leadership predicts essential alterations and changes in advance and create required commitment as well as highly suitable atmosphere for worker and teams to understand and adopt these changes successfully. This action by leaders is decisive not only for the effectiveness of the organization but also for its very survival El-Kot and Burke 2010 and Burke & Cooper, 2004.[42] Business goals can't be achieved without adopting a strategic business process. The organizational success and sustainability can't be accomplished without leaders playing a strategic role. Leadership footprint should be visible in the organization. For example, from allocation of resources to alignment, from perception of activities to decisions that focuses on the future, from commitment and motivation of team members to the attainment of the goals of the organization Agranoff and McGuire.[43]

The importance of understanding leadership and its various styles has increased in industries. This is because it has a direct effect on the development process in all its dimensions. An understanding of the effects of leadership on performance is very important because leadership is viewed by a group of researchers as one of the vital driving forces for improving an organization's performance and growth.[44] Leadership as a concept has an ambiguous status when viewed as an organizational practice, as seen in organizational theory. Practically in daily life of an organization, management could appear to be of two

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[42] Ghada El-Kot and Ronald Burke, "Work Engagement Among Managers and Professionals in Egypt,"*African Journal of Economic and Management Studies* 1, no.1 (2010): 45.

[43] Robert Agranoff and Michael McGuire, *In Collaborative Public Management: New Strategies for Local Governments* (Washigton D.C.: Georgetown University Press, 2003), 80.

[44] Okoya, Olamujoke. *Organisational Climate and Performance: A Case Study of Nigerian High Growth SMEs.* PhD Thesis, University of East London, London: UEL Research Repository, 2013, 20.

minds about the exercise of leadership. That is leading to succeed while managing properly or leading to fail while managing the organization poorly.

Many jobs are so specified in content and method that within very broad limits differences among individuals become irrelevant, and acts of leadership are regarded as gratuitous at best, and at worst insubordinate.[45] The complexity and highly complicated business environment have imposed or caused organizations to be more informed and liable to accept changes which are continuous and non-stop. In addition, there are many strategic organizational assets like physical infrastructure, capital as well human resource which is vital component for the organization. It plays a key role in the smooth running of the organisation and attainment of objectives.

In the current continuous changing and competitive world market, the human resources become the most competitive advantage in the business, if they are managed effectively and sufficiently, it may be considered as an evident that leaders have worthy effect on followers. Effective leadership could be seen as a potent source of management development and also a source of sustained competitive advantage. [46]Today the multi-million-dollar business of leadership development tends to focus on developing leadership traits and competencies. There has been a long search historically to try and define what aspects of the personality (what traits) make a good leader. Observations and studies of different exceptional leaders try and identify what aspects of their personality enabled them to be 'great men' (as the studies were usually on male heroic figures) and examples such as courage, charisma,

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[45] Daniel Katz and Robert Louis Kahn. *The Social Psychology of Organisations* (New York: Wiley, 1966), 78.

[46] Okoya, Olamujoke. *Organisational Climate and Performance: A Case Study of Nigerian High Growth SMEs*. PhD Thesis, University of East London, 2013, 23.

vision, fortitude were identified as traits to be exemplified.

This focus on the innate personality of leaders was known as 'Great Man' theory. Another approach which closely relates to, and often arises from, behavioral and cognitive behavioral psychology attempts to identify what leaders do, rather than what their personalities consist of. This approach has an individualistic and functionalist approach in that it isolates component parts of an individual's behavioral repertoire with the aim of being able to modify and develop potential leader's behavior, in order to improve their leadership skills and abilities. This approach is reductionist as it attempts to reduce leadership to a finite set of behaviors.

Management and leadership are both involved in creating networks or relationships in order to facilitate the taking of action. However, the two processes have some incompatible elements. Strong leadership can disrupt order and efficiency and too strong a focus on management can discourage risk-taking and innovation. According to (J.Kotter [47]both processes are necessary for the success of an organization. Effective management on its own can create a bureaucracy without purpose, while effective leadership on its own can create change that is impractical. The relative importance of the two processes and the best way to integrate them depend on the situation that prevails. Rost[48] describes management as a relationship based on authority that exists between managers and subordinates in order to produce and sell goods and services. He defined leadership as a relationship based on influence between a leader and followers with the mutual purpose of accomplishing real change. Leaders and followers influence each other as they interact in non-coercive ways to

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[47] John P. Kotter, *A Force for Change : How Leadership Differs from Management* (New York: The Free Press, 1990), 23.

[48] Joseph Clarence Rost, *Leadership for the Twenty-First Century* (New York: Praeger, 1993), 88.

decide what changes they wish to make.

Managers may be leaders, but only if they succeed to build a relationship based on influence with their followers. The ability to lead is not necessary for a manager to be effective in producing and selling goods and services. However, even when authority is a sufficient basis for downward influence over subordinates, good relationships is necessary for influencing people over whom the leader has no authority, such as peers. In organizations where change has become a constant part of the business environment, good relationships based on influence with subordinates seems necessary[49] Another take on the rise of the leader is that a leader creates change while a manager creates stability. Alvesson and Svenginsson sum up their reading of the leadership literature:

> Contemporary writings usually frame leadership in terms of the visionary and heroic aspects, it is the leader's abilities to address [by talking and persuading] the many through the use of charisma, symbols and other strongly emotional devices, the ambition being to arouse and encourage people to embark upon organizational projects.

Zaleznik separates leadership and management neatly, perhaps too neatly: A managerial culture emphasizes rationality and control. That is whether a leader's energies are directed towards resources, organization structures, goals or people. Managers will always be seen as problem solvers Being a manager requires no heroism or being a genius, but rather it requires persistence, a tough-mindset, analytical ability, intelligence, hard work and perhaps most important, tolerance and goodwill.[50]

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[49] Joseph Clarence Rost, *Leadership for the Twenty-First Century* (New York: Praeger, 1993), 146. "Rost draws a clear line of demarcation between those who engage in leader-follower relationship processes through influence leaders and those who use organizational or personal power to achieve compliance through coercive authority that is "perfectly acceptable to both managers and subordinates."

[50] Abraham Zaleznik, "Managers and leaders: are they different?" *Clinical Leadership and Management Review: The Journal of CLMA* 18, no 3 (2004): 172.

Leadership is about leading the organizations and organizational teams to go somewhere. If the leaders and its people don't know where to go, then leadership means nothing. So, it is important for leaders to have a clear vision. If we try to put the light on word vision, it may have different pictures and angels. According to Bennis and Nanus "vision is a mental image of a possible and desirable future of the organization.[51] This mental image grows inside the mind of leaders and depends on the h/her competency to perceive the things accurately and use them intelligently for the betterment and sustainability of an organization. Bennis also describes that there are some practically proven leadership competencies that can affect the performance of an organization, which also includes "vision and goal setting" "interpersonal skills and self-knowledge" along with some special characteristics which may be concerned with any specific businesses. Kotter states that the vision is the ability of a leader to look in to future while aligning the team with that vision, and then make them inspire to get the desired goals concerning that future: "Vision is a picture of the future with some implicit or explicit commentary on why people should strive to create that future."[52] Organizations are based on teams, and dedicated team work is required to make things happen. A clear picture of the future will motivate and inspire the people in the team to become efficient and actively take part while contributing a joined effort for getting that desired goal. That is why it is important to know the reason for working, for it doesn't only provide a direction for the team but a clear team vision which will boost organizational culture and organizational climate thereby enhancing performance and growth. It is the vision of a leader that makes it assure that actions and the decisions of

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[51] Warren G. Bennis and Burt Nanus, *Leaders:The Strategies for Taking Charge* (New York:-Harper and Row, 1985), 47.

[52] John P. Kotter,. *Leading Change* (Boston, MA: Harvard Business School Press, 1996), 97.

organizational team are fit into the actual picture of desired future.

Wasim and Asgha were of the opinion that without the vision of leaders the motivation level of organization members may go down rendering their activities meaningless which can prove worst for an organization at the later end. He further said that "Vision plays a key role in producing useful change by helping to direct, align and inspire actions on the part of large numbers of people. Without an appropriate vision, a transformation effort can easily dissolve into a list of confusing, incompatible and time-consuming projects that go in the wrong direction or nowhere at all"[53].

Though Bennis and Kotter, try to highlight the term "Vision" with different angles and describe it in different ways, but it can be easily understood from their claims, that vision is a ability of a leader to predict and perceive future, in a precise and accurate way along with defining the route map that how to get into this future successfully. While summarizing the debate on leaders' vision, a question can arise into minds "it there any leader without vision" the answer is no. Like every human being every leader must has some vision, but vision of two leaders could be different even while managing the same organization or same matter, because the vision is a perception of unseen things. Two leaders may perceive differently. Moreover, as we can't say that this leader is innovative or this is not, before we can see h/her action, decisions, steps taken and their results, for a certain matter. Likewise, we can't say that this leader is visionary or this is not before seeing the results of his perceptions. Manfred Kets de Vries[54] finds the literature on leadership traits overwhelming

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[53] Wasim Abbas, and Imran Asghar, "The Role of Leadership in Organizational Change: Relating the successful Organizational Change with Visionary and Innovative Leadership" (Master Thesis, University of Gävle, Gävle, 2010), 13.

[54] Manfred Kets de Vries, "The Leadership Mystique," *Academy Management Perspectives* 8, no.3 (August 1994): 18.

and confusing but identifies some commonality in the findings: 'conscientiousness, self-confidence, energy, intelligence extroversion, agreeableness, dominance, openness to experience and emotional stability. As Kets de Vries points out, these traits are very open-ended and, when discussed, they open up a heated polemic as to the nature of what they really mean. He goes on to say how individuals' characters need to be assessed using clinical methodologies. Bennis and Nanus as part of the new wave of leadership theorists drawing on the trait approach. They link the resurgence of leadership and the trait approach in particular as part of a Great Leader Myth which undermines autonomy and creates dependency

Dhirendra and Pranoti in a study were of the opinion that the most common criticism of the trait/competency approach is that they are one-size-fits-all approaches. Defining leadership by a set of given competencies or traits suggests a preferred leadership style which all individuals must have if they are to be successful leaders.[55] These approaches are limited in two important areas: first, from a critical theorist perspective, they represent a hegemonic approach. This refers to an elite powerful group, that is. the senior management team, agreeing on the leadership traits and competencies necessary for success and then demanding, testing, training and measuring these in traits potential leaders in the company. This in itself is a homogenizing approach to leadership that has totalitarian overtones

### 2.1.4 Leadership Competence

Leadership competence refers to the attitude, skills and knowledge that leaders must possess in order to coordinate and direct while influencing their subordinate or team

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[55] Dhirendra Kumar, and Agarwal Pranoti, "A Comparative Study of Various Dimensions of Leadership Styles With Reference to Past Literature Reviews,"*Scholarly Research Journal for Humanity Science and English Language* 6, no. 26 (April 2019): 5929.

towards goal achievement. The decision to use the term competence to refers here to what in other words would have been called capabilities, dimensions or capacities which are all purposeful. To great extent than other terms, it was of the opinion that "competence" would convey the sense that both skill and knowledge are vital elements of leadership efficacy. Knowledge in this case refers to leaders understanding of a concept.

Also, it could be viewed as the leader's qualifications (academic, intrinsic and extrinsic knowledge) Though it is said leaders are born not made, it is also required that for a leader to be qualified to lead, manage and influence his followers he will need some academic qualifications to boost and guide him/her in the leadership role. The relationship between knowledge (or understanding) and skill (or the capacity for behavioral enactment) in any competency area could be either mutually enhancing/enriching, or in some instances, mutually dampening/diminishing. To illustrate, "empathy" has a meaning that an individual leader might, or might not, understand.[56] Possessing knowledge as a leader is not sufficient or of utmost importance if it cannot be applied. Managing as a leader will require interpersonal, organizational and good communication skills amongst others, so that a significant degree of motivation is seen amongst subordinates or team members and leaders.[57] Effective management carefully plans the goal of an organization, recruits the necessary staff, organizes them, and closely supervises them to make sure that the initial plan is executed properly. Successful leadership goes beyond management of plans and tasks. It envisions the future and sets a new direction for the organization. A cycle of cynicism occurs when leaders announce wonderful aspiration statements (vision, mission,

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[56] Ralph A. Gigliotti, "An Overview of the Leadership Competency Framework," in *Competencies For Effective Leadership*, by Brent D. Ruben, 19 (Bradford: Emerald Publishing Limited, 2019), 20.

[57] John P. Kotter, *The Leadership Factor* (Washington: Library of Congress, NLS/BPH, 1989), 70.

strategy), but fail to deliver. Over time, this cycle of failure breaks down trust and erodes commitment. Leadership sustainability requires accountability where leaders take personal responsibility for making sure that they do what they say.

According to William et al accountability increases when leaders assign personal commitments to others and follow up on these commitments. Over the years, sustainable leadership refers to when the leader's agenda aligns with the agenda of others. Leaders who ensure sustainability have become emotionally invested and will ensure changes are made. Sustainable change resides not just in the head with an intellectual agenda but also within the heart with a strong emotional agenda. Action without passion will not long endure, nor will passion without action. Leaders need emotion to draw on the deeper values while finding meaning in the work that they do. Leadership sustainability occurs when leaders know and feel what they should do to improve. This passion increases when leaders align the desired changes with their personal identity and purpose, these desired changes will shape their relationships with others, and will shift the culture of their work setting.[58]

Again, Bhaskar in his study stated that successful leaders mobilize all possible means and human resources; they also inspire all members of the organization to support the new mission and execute it with enthusiasm. When an organization faces an uncertain environment, it demands strong leadership. On the other hand, when an organization faces internal operational complexity, it demands strong management. In organizations characterized by poor leadership, employees expect nothing positive. In a climate of distrust, employees learn that leaders will act in undesirable and unethical ways and in ways that do not seem to be in anyone's best interests. Poor leadership means an absence of hope,

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[58] William H. Mobley, Ying Wang, and Ming Li, *Advances in Global Leadership* (United Kingdom: Emerald Group Publishing Limited, 2012), 24.

which, if allowed to go on for too long, results in an organization becoming completely non-functioning.[59]

According to Terry,[60] organizations and government need those who can successfully lead others and sustain success. When choosing a leader for public or private sector work, these nine core competencies will serve as the foundation and metric to ensure leaders can create environments that are productive and sustainable. These competencies are:

*1.  Communication*

All leaders must be able to listen to others, process information, and communicate effectively within the communication core competency, listening to others enables leaders to encourage the sharing of information and ideas, as well as concerns. Listening openly to others without interrupting them is one of the keys to becoming more effective. Processing information is crucial to being a good leader. It is vital to be able to get to the point, weigh the pros and cons, and evaluate short- and long-range consequences of decisions. It helps leaders develop logical and clear conclusions.

The final component of the communication core competency is a leader must communicate effectively. Leaders must express themselves clearly in writing and speaking. They must be thorough, concise, and consistently straightforward when sharing information and their vision with others.

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[59]  Bhaskar T., *A Study of Leadership for Sustaining and Developing Small, Medium and Large Organizations and Institutions in and around Hyderabad,* Thesis, Department of Management Science, University of Pune, Shodhganga@INFLIBNET Centre, 2008.

[60] Terrence Jackson, "8 Core Competencies Leaders Need to Sustain Performance *Linkedin,* April 17, 2015. https://www.linkedin.com/pulse/8-core competencies-leaders-need-sustain-perfomance-jackson-ph-dd (accessed February 5, 2021).

2. *Leadership*

Successful leaders instil trust, provide direction, and delegate responsibility. Ultimately, leadership is about producing the desired results. Building and instilling trust enables a leader to show they can be trusted to keep promises and confidences. It also shows that they are honest and ethical. Leaders provide direction by establishing clear expectations and developing a manageable workload to accomplish those expectations. A leader must be able to delegate responsibility. Leaders delegate jobs to the appropriate people. Leaders empower others to work and solve problems on their own.

3. *Adaptability*

Adaptability is the ability to adjust to circumstances and think creatively. Adjusting to circumstances involves the ability to adjust to people's diverse work styles and to varying environments. Competent leaders know how to deal with setbacks constructively, and they anticipate change. Thinking creatively brings an imaginative approach to the job. Creative thinking leaders inspire innovation, risk-taking, and creative problem-solving.

4. *Building Relationship*

Building a personal relationship may be the most crucial component of being a leader. It means being considerate of others' feelings. Leaders must also show freedom from unfair biases and be tactful when giving criticism. Leaders must remain composed under stress. The next component to Building Relationships is ensuring team success. Team success is crucial in the workplace as "no man is an island." Within team success, leaders must resolve conflicts fairly and in a spirit of cooperation. Leaders must build a consensus and lead teams with appropriate goals.

5. *Task Management*

Task Management involves working efficiently and competently. Working efficiently means a leader makes use of current technology and wise use of outside resources. The leaders avoid procrastination and sets priorities. Working competently means the leader has mastered the fundamentals of the job. This leader can apply new methods and new information as appropriate for new tasks.

6. *Production*

Leaders take action and achieve results. An effective leader knows when the time is right to initiate action. Leaders handle problems assertively and make timely as well as firm decisions. Leaders take action so they can achieve results. Leaders must know how to overcome obstacles for achievement and set high standards that positively impact the organization.

7. *Developing Others*

Leaders develop leaders. Two important areas in the development of others are cultivating individual talent and successfully motivating others. Leaders who are successful at cultivating talent are effective at coaching and making training available. These leaders also provide objective performance feedback on a timely basis. As a leader, one must be able to give recognition to people who produce excellent work and give extra effort. The leader also has an enthusiastic attitude that positively affects others.

8. *Personal Mastery*

The leader who masters themselves seeks improvement and displays personal commitment. This leader learns positive lessons from mistakes, accepts constructive criticism, and pursues resources to improve and develop professionally. They do not set limits on personal potential.

*9. Character*

The character of an individual does not only influence his/her behaviour but the behaviours of those around them, and those looking up to them. So, if a leader possesses good or positive character so will the leaders character rob off on or influence those they lead. Positive character influences positive energy within the working environment. Character is an intrinsic value of human nature and can't be hidden. It defines the first impression of what people think about you.

A high level of commitment is needed by leaders to be successful. This leader maintains a high level of energy, perseverance, and remains positive.

According to Clarke,[61] every organization and every leader should have a clear vision and specific goals. These two elements complement each other; when leaders have a clear vision and specific goals, they are able to gain the trust of the employees.  These managers are, moreover able to ensure the viability, the competitiveness and, finally, the sustainability of their organization.[62]  Therefore, it is understood that the ability to behave as a "true leader" (setting a clear vision and specific goals), can ensure the successful business growth. This is because employees are highly motivated, have increased trust, completely understand their roles and responsibilities and, thereby, accept the relevant changes and strive for their successful implementation.[63]

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[61] Nicholas Clarke, "HRD and the challenges of assessing learning in the workplace," *International Journal of Training and Development* 8, no. 2 ( June 2004): 142.

[62] John P. Kotter, "Leading Change: Why Transformation Efforts Fail," *Harvard Business Review* 85, no. 1 (1985): 99.

[63] Chatzoglou Prodromos, Georgios Dimitrelos, Dimitrios Chatzoudes, and Vassilios Aggelidis, "The Relationship Between Leadership Competencies and Successful Organisational Change," Research Gate, (2017): 10.

Any vision, no matter how well-defined, cannot be achieved if the organisation has incompetent leaders without strategies.[64]. It is essential for a leader to be competent, so as to be able to effectively address various organisational issues. It can ensure the long-term viability of the organization.[65] This argument has been supported by several previous studies. For example, Arsedorf [66] suggested that leadership competencies are associated with the extent to which a leader is innovative.

Moreover, Trepanier, Crenshaw and Yoder-Wise[67] argued that it is important for leaders to take risks, in order to improve the overall quality of the provided services.

In addition, DeRue and Wellman[68] suggested that leaders should develop leadership competencies through education and experience Farr and Brazil [69].Moreover, according to Supamanee, et al.[70], these cognitive competencies are affected by prior knowledge and

[64] Princely Ifinedo, " Impacts of Business Vision, Top Management Support, and External Expertise on ERP Success," *Business Process Management Journal* 14, no. 4 (2008): 568.

[65] Todd D. Jick, "Vision is 10%, Implementation is the Rest," *Business Strategy Review* 12, no. 4 (2001): 36.

Jick's believe vision leadership is much more than simply articulating the vision. But few leaders give enough attention to implementation. Leaders and their visions are judged by how well they have mobilized commitment, by the extent to which new ways of working have become routinized and by how well the overall culture, including their own behavior, supports and reinforces their vision.

[66] Laida Agote, Nekane Aramburu, and Rune Lines, "Authentic Leadership Perception, Trust in the Leader, and Followers' Emotions in Organizational Change Processes," *The Journal of Applied Behavioral Science* 52, no. 1 (March 2016): 37  https://doi.org/10.1177/0021886315617531.

[67] Jeannette T. Crenshaw, Patricia S. Yoder-Wise, "Creating an Environment for Innovation: The Risk-Taking Leadership Competency," *Nurse Leader* 11 , no. 1 (2013): 39.

[68] D. Scott Derue and Ned Wellman, "Developing Leaders via Experience: The Role of Developmental Challenge, Learning Orientation, and Feedback Availability," *Journal of Applied Psychology,* 94, no. 4 (2009): 860.

[69] John V. Farr and Donna M. Brazil, "Leadership Skills Development for Engineers," *Engineering Management Journal* 21, no. 1 (2009): 3.

[70] Supamanee, Treeyaphan, Marisa Krairiksh, Laddawan Singhakhumfu, and Sue Turale, "Preliminary

education. They constitute a combination of systematic knowledge and experiences that are accumulated over time Pagon and Bizjak. [71] Furthermore, possessing functional competencies is a decisive factor, especially for business growth in an organization.

Functional competencies refer to the skills that managers use when they solve a problem or perform an activity. The importance of these competencies is very high, since they are significantly linked to firm performance.[72] In that direction, Viviane M., Lloyd and Kenneth J[73] argued that leaders should have certain interpersonal capabilities. Moreover, Li [74]concluded that the most important of the leadership competencies is the marketing capability. In the same light, Eddy[75] highlighted that it is essential for a leader to be able to communicate effectively with both employees and clients. Finally, Malloch and Melnyk [76] argued that, nowadays, leaders should use media services and digital technology, since these platforms facilitate the collaboration between various stakeholders and enhance the rapid exchange of information. Competence refers to the knowledge, skills, and values

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Clinical Nursing Leadership Competency Model: A Qualitative Study from Thailand," *Nursing and Health Sciences* 13 (2011):436.

[71] M. Pagon, E. Banutai, and U. Bizjak. "Leadership Competences for Successful Change Management. A Preliminary Study Report," *10th Annual Conference of the EuroMed Academy of Business* (Slovenia: University of Maribor, 2008): 6.

[72] Cornelia Dröge, Shawnee Vickery, and Robert Markland. "Sources and Outcomes of Competitive Advantage: An Exploratory Study in the Furniture Industry," *Decision Sciences* 25 (1994): 669.

[73] Viviane M. J. Robinson, Claire A. Lloyd, and Kenneth J. Rowe, "The Impact of Leadership on Student Outcomes: An Analysis of the Differential Effects of Leadership Types," *Educational Administration Quarterly*: Sage Journals 45, no. 5 (2008): 645.

[74] Ling X. Lee, "An Analysis of Sources of Competitiveness and Performance of Chinese Manufacturers," *International Journal of Operations and Production Management* 20, no. 3 (2000): 300.

[75] Pamela L Eddy, *Changing of the Guard in Community Colleges: The Role of Leadership Development*, edited by A. Kezar (Sterling, VA: Stylus Press, 2009), 188.

[76] Malloch Kathy and Bernadette Mazurek Melnyk, "Developing High-Level Change and Innovation Agents: Competencies and Challenges for Executive Leadership," *Nursing Administration Quarterly* 37, no. 1 (2013): 62.

required for todays and tomorrow's jobs. One company defined competence as the right skills, right place, and right job at the right time. Competence matters because incompetence leads to poor decision-making[77]. Without commitment, though, competence is discounted. Highly competent employees who are not committed are smart but don't work very hard. Committed or engaged employees work hard, put in their time, and do what they are asked to do. In the last two decades, commitment and competence have been the bailiwicks for talent. We have found, though, that even though employees may be competent (able to do the work) and committed (willing to do the work), unless they are making a real contribution through the work (finding meaning and purpose in their work), their interest in what they are doing diminishes and their talent wanes. Contribution occurs when employees feel that their personal needs are being met through their active participation in their organization. We wrote The Why of Work to synthesize the diverse literature defining meaning and to transfer those insights into the work setting

Finally, East and Raber[78]claim that leaders should also develop personal and social leadership competencies. According to (Grohar-Murray, DiCroce and Langan 2003)[79], these competencies have a significant effect on organisational performance. Jurkowski and Hänzel[80] concluded that social competencies are enhanced when interacting and

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[77] Viviane M. J. Robinson, Claire A. Lloyd, and Kenneth J. Rowe, "The Impact of Leadership on Student Outcomes: An Analysis of the Differential Effects of Leadership Types," *Educational Administration Quarterly*: Sage Journals 45, no. 5 (2008): 645.

[78] Joseph East, Gierke G., and M Raber, "Learning to Lead in a Global Community," Conference Proceedings 2012,( San Antonio: 119th ASEE Annual Conference and Exposition, 2012), 15.

[79] Mary Ellen Grohar-Murray, Helen R. DiCroce, and Joanne C. Langan, *Leadership and Management in Nursing*, 3rd (Upper Saddle River: NJ Prentice Hall), 2003.

[80] S. Jurkowski, and M Hänze, "Cooperative Learning from the Perspective of Social Competencies: A Study of the Relationships of Social Competencies to Learning Outcomes, Experience of Learning and Collaboration Product Inherent Collaboration," *Unterrichtswissenschaft* 40, no. 3 (2012): 260

collaborating with employees. In addition, Madden[81]argued that the most successful leaders are characterised by social and emotional leadership competencies; such skills enable them to remain focused on the objectives of the company and face the various arising problems. Moreover, Riggio and Lee [82] found that personal and social competencies affect the success of a leader, while Savicevic and Ivanković [83] suggested that a successful leader should be characterised by self-concept.

### 2.1.5 Organizational culture

Organizational culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people in organizations behave and get things done. 'Values' refer to what is believed to be important about how people and organizations behave. 'Norms' are the unwritten rules of behaviour. The definition emphasizes that organizational culture is concerned with the subjective aspect of what goes on in organizations. It refers to abstractions such as values and norms that pervade the whole or part of a business, which may not be defined, discussed or even noticed. Nevertheless, culture can have a significant influence on people's behaviour. The culture of an organization refers to the unique configuration of norms, values, beliefs and ways of behaving that characterize the manner in which groups and individuals combine to get things done[84]. Culture is a system of informal rules that

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[81] Jennifer R. Madden, "Overcoming Collaboration Barriers in Affordable Housing Public-Private Partnerships," *Academy of Management Proceedings*, no. 1 (2011): 3.

[82] Ronald E. Riggio, and Joanne Lee, " Emotional and Interpersonal Competencies and Leader Development," *Human Resource Management Review* 17, no. 4 (2007): 419.

[83] D. Savicevic, M. Cvijetić, and Z. Ivanković, "Competence Self-Concept of Leaders in Education," *Metalurgia International* 18, no. 1 (2013): 17.

[84] John E. T. Eldridge and Alastair D. Crombie, *The Sociology of Organizations.* (London: Allen &

spells out how people are to behave most of the time.[85]. A pattern of basic assumptions –
invented, discovered or developed by a given group as it learns to cope with the problems
of external adaptation and internal integration – that has worked well enough to be
considered valid and, therefore, to be taught to new members as the correct way to
perceive, think and feel in relation to these problems [86] Culture is the commonly held
beliefs, attitudes and values that exist in an organization. Put more simply, culture is 'the
way we do things around here'[87].

Business leaders are vital to the creation and communication of their workplace
culture. However, the relationship between leadership and culture is not one-sided. While
leaders are the principal architects of culture, an established culture influences what kind
of leadership is possible [88]. Leaders must appreciate their role in maintaining or evolving
an organization's culture. A deeply embedded and established culture illustrates how
people should behave, which can help employees achieve their goals. This behavioral
framework, in turn, ensures higher job satisfaction when an employee feels a leader is
helping him or her complete a goal. From this perspective, organizational culture,
leadership, and job satisfaction are all inextricably linked.

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Unwin, 1974), 24.

[85] Terrence E. Deal and Allan A. Kennedy, *Corporate Cultures: The Rites and Rituals of Corporate Life*,
(Washington DC: Addison-Wesley Publishing Company, 1982), 7.

[86] Edgar Henry Schein, *Organizational Culture and Leadership.* (San Francisco, CA: Jossey-Bass, 1985),
55.

[87] Adrian Furnham and Barrie Gunter, *Corporate Assessment,* (London: Routledge, 1993), 6.

[88] See Edgar Henry Schein, *Organizational Culture and Leadership* 4th ed (San Francisco, CA: Jossey-
Bass, 2010).

Organizational Culture is critical to the sustainable growth of any company. It's possible to grow with a bad culture, but those looking for sustainable, long-lasting growth need a consistently good culture. Strong cultures require a high degree of trust both among employees and in the company leadership and that's critical to longevity and growth. Low-trust cultures typically have disengaged workers as well as higher operating costs that come from an inability to move definitively and efficiently in response to changes in the market or to new company initiatives. Those higher operating costs impede growth.

Culture shapes attitudes and behaviours in wide-ranging and tangible ways. Company leadership needs to lay the foundation and occasionally take the temperature to see if it's where it should be. It's more than just putting up a poster in break room. It's living it every day, tracking employee behaviours and correcting when necessary. And that's critically important because culture drives behaviour and behaviour drives results. The characteristics of culture as presented in Armstrong's handbook of human resource are:

- Culture is difficult to be defined. (Often a pointless exercise). •

- Culture is multi-dimensional, with a variety of components at different levels. •

- Culture isn't particularly dynamic and ever-changing (it is relatively stable over very short periods of time).

-   Culture takes time to establish and therefore time is required to change a corporate culture. [89]

A leader needs to have a thorough understanding of the organizational culture, its nature and impact, so that they can communicate new vision and ensure followers' commitment to that vision.

Leaders play a significant role in the shaping and maintenance of the culture in an organization. It is in the leadership process that the effect of culture becomes most perceptible. If it is the leadership that mobilizes attention towards a new vision, it is the corporate culture that confers legitimacy on that vision. It thus can be said that leadership and organizational culture are strongly intertwined and share a symbiotic relationship. Organizational culture reflects the underlying belief and value structure of an organization.

Ramezan and Raheleh were of the opinion that an organization's culture is made up of two distinctive layers. The first layer being values and beliefs. This layer presents a level of tangible symbols such as ceremonies, myths, how to dress, manners, rituals, to name a few. This layers form, a base layer or foundation of our culture that values assumptions, infrastructure, beliefs and thought processes of an organization, referring to individuals and groups. Organizational culture consists of elements such as traditions, norms and rituals, and assumptions. Values of an organization's culture on the other hand usually reflects the values of the environment and the society in which it is located. Also, the desires, ideas, and opinions of the surrounding environment. People have different beliefs, for example; belief in God, belief in leaders, belief in family and belief in management. Generally, long-term

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[89] See Michael Armstrong, *Armstrong's Handbook of Human Resource Management Practice* (120 Pentonville Road, London: Kogan Page, 2009).

beliefs and decisions shape the beliefs of any individual organization.

Other factors that contribute in the creation and development of organizational culture processes of organizations are corporate social responsibility, organizational size, government policies and corporate governance. With the norms and standards of social processes in organizations feasibility and pre-service training is encouraged in organizations as they provide the staff with a forum for learning appropriate behavior and some individual's norms, and gradually these this boost the organizational culture and they become accustomed.[90]The success of the social process, is dependent on the the nature of the connection of information and norms not leaving out dominant culture in the organization.[91]

According to (Jones, Jennifer and Charles [92]organizational culture is defined as the set of values, norms, standards for behavior and shared expectations that influence the way in which individuals, groups and teams interact with each other and cooperate to achieve organizational goals. These cultural elements and their relationships create a pattern that is a distinctive part of an organization, as personality is unique to the individual. [93]

What are values, and how do they affect behavior? Values are general criteria, standards, or principles that guide the behavior of organization members. There are two

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[90] Ramezan Jahanian and Raheleh Salehi, "Organizational Culture," *International Journal of Academic Research in Progressive Education and Development* 2, no. 3 (July 2013): 85.

[91] Terrence E. Deal and Allan A. Kennedy, *Corporate Cultures: The Rites and Rituals of Corporate Life*, (Washington DC: Addison-Wesley Publishing Company, 1982), 7.

[92] Jones R. Gareth, M. George Jennifer, and WL Hill Charles, *Contemporary Management.(* Irwin:McGraw-Hill, 2000), 19.

[93] Edgar Henry Schein, *Organisational Culture and Leadership,* (San Francisco: Jossey-Bass, 2010), 10.

kinds of values: terminal and instrumental. A terminal value is a desired outcome that organization members seek to achieve. Schools typically adopt any of the following as terminal values: quality, excellence, and success. An instrumental value is a desired mode of behavior. Modes of behavior that most schools advocate for include working hard, providing excellent teaching, respecting student diversity, being creative, teamwork, and maintaining high standards[94]. Thus, an organization's culture consists of outcomes that the organization seeks to achieve (its terminal values) and the modes of behavior the organization encourages (its instrumental values). Ideally, instrumental values help the organization achieve its terminal values. For example, a school/school district whose culture emphasizes the terminal value of high achievement for all students might attain this outcome if they encourage values like working hard within the students. This combination of terminal and instrumental values leads to school/school district success. According to Fred schools are able to achieve success only when shared values exist among group members. Shared values can provide a strong organizational identity, enhance collective commitment, provide a stable social system, and reduce the need for bureaucratic controls.[95]

E. H. Schein indicates the complexity of organizational life, as he argues further that although an organizational culture can't be easily manipulated by managers, leadership on the other hand remains intertwined with culture and formation. Members of an organization in a given cultural environment share a common set of assumptions, beliefs and values which originate from the local environment. These cultural values from the environment

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[94] Frederick C. Lunenburg and Allan C. Ornstein, *Educational administration: Concepts and Practices,* (Belmont, CA: Cengage Wadsworth, 2012), 30.

[95] Lunenburg Fred C, "Understanding Organizational Culture: A Key Leadership Asset," *National Forum of Educational Administration and Supervision Journal* (Sam Houston State University) 29, no. 4 (2011): 6.

have a very strong impact on the behavior of the persons within the organization. Organizational culture is like an organization's personality, it is the collective set of reasons why employees across all levels of an organization behave the way they do. It signals, for example, what employees should pay attention to, how to react emotionally, and what actions to take in various situations

Employees and their organizations have a culture that dictates what to value and what priority to establish. Business principles and values manifested by a company represents the culture that management preaches and practices. These are all reflected in employees' attitudes and behavior, in the legends people repeat about happenings in the organization. The more managers understand this cultural environment, the more effective they can be in changing it as per the requirements. The core of culture is formed by values which are not visible but shared by people even when membership in group changes. Culture appears to be transmitted among employees through behavioral expectations and normative beliefs than through "deeper" values and assumptions. Ashkanasy, Broadfoot and Falkus [96] believed shared values and norms focus employees' attention on organizational priorities and guide their behavior and decision making. Another key aspect in creating organizational cultures is the everyday activities and celebrations that characterize the organization. Most successful organizations feel that these rituals and symbolic actions should be managed. Through rites and rituals, recognition of achievement is possible.

Culture and climate are two complementary, but often conflated, organizational constructs. The biggest distinction between the two is that climate can be understood as the "what" one sees or experiences within an organization, while the culture is the underlying

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[96]. Neal M. Ashkanasy, L. E. Broadfoot, and S. Falkus, "Questionnaire Measures of Organizational Culture," In *The Handbook of Organizational Culture and Climate*, by M. Ashkanasy, Celeste P. M. Wilderom, and M. F. Peterson, (Thousand Oaks: CA:Sage Publications, 2000), 132.

and deeply ingrained "why." Climate is the set of more observable aspects of working in the organization and can generally be felt right away. For example, when employees use phrases like "fun," "busy," or "friendly," they are describing the climate. What it feels like to work in the organization. When you dig deeper into finding out why the organization is "fun," "busy," or "friendly" you uncover the organizational culture. Culture is the set of rules, often unspoken, and the organization's norms that employees come to learn over time, often by trial and error and by observing which behaviors are reinforced through the climate[97]. Organizational culture includes an organization's expectations, experiences, philosophy, as well as the values that guide member behavior, and is expressed in member self-image, inner workings, interactions with the outside world, and future expectations. Culture is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over the years and are considered valid. Climate on the other hand is the atmosphere conveyed within an organization by the physical layout and the manner in which members interact with clients or other outsiders. These characteristics individually can't represent the essence of organizational culture. However, when put together collectively they can reflect and give meaning to the concept of organizational culture.

In every organisation, culture is of great significance. Culture represents the 'social glue' and also generates a 'we-feeling', (that feeling of belonging) thus counteracting processes of differentiations which are an unavoidable part of any organizational life. Organizational culture provides a shared system of meanings which is the base for communications and creation of mutual understanding. If these factors are not fulfilled in a

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[97] Edgar Henry Schein, *Organizational Culture and Leadership.* (San Francisco, CA: Jossey-Bass, 1985), 55.

satisfactory manner, organizational culture may significantly reduce the efficiency and growth of an organization. [98]

### *2.1.6 Organisational Climate*

Organizational climate is a set of properties of the work environment, perceived directly or indirectly by the employees, that is assumed to be a major force in influencing employee behaviour. Organization climate is very critical in this era of globalization where businesses are operating in a dynamic business environment which compels managers to look for better ways of managing organizations effectively. Organization climate is defined as employees shared perceptions of their work environment and is composed of sub scales, role conflict, personal accomplishment, emotional exhaustion and work load. Climate could be referred to those aspects an environment that are consciously perceived by organizational members. Climate could be viewed as a perception which is descriptive in nature. Realizations or sensations experienced by an individual are known as perceptions are while descriptions are what a person reports of his/her sensations.

Farris[99] identified two specific kinds of leadership behaviors: task-oriented behaviors and relations-oriented behaviors.

*Task-oriented leadership behaviors:* The primary objective of such leader's sis to attain their goals. By defining roles, establishing methods for goals evaluation, giving directions, setting time and showing how the goals are to be achieved, they help their

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[98]  Fred C. Lunenburg, "Understanding Organizational Culture: A Key Leadership Asset," *National Forum of Educational Administration and Supervision Journal* (Sam Houston State University) 29, no. 4 (2011): 7.

[99] G. F. Farris, "Technical leadership: Much discussed but little understood," *Research Technology Management* 31, no. 2 (1988), 14.

employees accomplish their goals. Task-oriented leaders make use of the one-way communication method to specify and clarify what needs to be done, determining who is responsible for doing it, and how it needs to be done. Such leaders plan, coordinate, and schedule work-related activities. They also provide their employees with the necessary technical assistance for completing task, employee motivation schemes, equipment and supplies. [100] Task-oriented behaviors consist of short-term planning, roles and objectives clarification, and monitoring individual performance and operations. Planning behaviors include determining staffing requirements and how to properly use them to reach the goals and objectives of the organization Clarifying behaviors include explanation of job responsibilities, tasks allocation and setting performance expectations. Monitoring behaviors refers to inspecting the progress and quality of work

*Relations-oriented leadership behaviors*: Relations-oriented leaders, value developing close, interpersonal relationships. This leadership behavior requires a two-way communication method which provides social and emotional support while helping employees feel comfortable about themselves, their co-workers, situations These leaders also demonstrate an understanding of employee's problems or difficulties and help in developing their careers.  They also make sure employees are provided with enough information to do the job, allowed autonomy at work, and are shown appreciation. According to Yukl, relations-oriented leadership behaviors include supporting behavior, recognition and development of behaviors. Supporting behaviors here refers to acceptance, showing concern and confidence for the needs and feelings of others. Developing behaviors also provides potential benefits to new, colleagues, inexperienced supervisors, peers and subordinates. It is important to recognize behaviors, praise and show

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[100]Bashayer Al-Khalifah, "Entrepreneurial Leadership in Kuwaiti Private firms" (Phd Thesis, University of Stirling, Scotland, 2014), 30.

appreciation to others to achieve vital organization contribution, effective performance and significant achievement.[101]

Organizational climate is referred to as how people see and feel about the existing organizational culture. It also could be viewed as organizational members perception of the characteristics and quality of organizational culture.

Although the concept of organizational climate stemmed from McClelland-Atkinson's theory or human motivation, Litwin and Stringer defined organizational climate as the set of measurable properties of the work environment that is either directly or indirectly perceived by the employees who work within the organizational environment that influences and motivates their behavior. According to Litwin and Stringer, the operational definition of organizational climate is the sum of individual perceptions working in the organization. Reichers and Schneider explained that it is the shared perceptions of "the way things are around here". Organizational climate is a molar concept that pinpoints the organization's goals and means to obtain these goals.[102]

Organizational climate is that formal and informal perception of organizational practices, policies and procedures. From a relationship perspective organizational climate focuses on its members' perceptions of how things are and how they are done. That is the employees' perceptions and attitudes towards their organization at any given time. Organizational climate is influenced by organizational culture and it also shapes the

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[101] Joseph B. Holloway, "Leadership Behavior and Organizational Climate: An Empirical Study in a Non-profit Organization," *Emerging Leadership Journeys* 5, no. 1 (April 2012): 11.

[102] "Relationship between Organisational Climate and Organisational Citizenship Behaviour," ukdiss.com. 11 2018. All Answers Ltd. 12 2021 <https://ukdiss.com/examples/organisational-climate-citizenship-behaviour.php?vref=1>.

organizational culture.  According to Holloway organizational culture is well defined as opposed to organizational climate; thus, organizational culture is a broader pattern of its beliefs and stems from employees' interpretations of the assumptions, philosophies and values that produces the experienced climate within an organization. Organizational climate is a manifestation of the organization's culture; it is the here and now. Organizational climate attempts to identify the environment that affects the behavior of the employees. It deals with the way(s) employees make sense out of their environment. It is primarily learned through the socialization process and through symbolic interactions among the organization's members. If the shared perceptions of practices and procedures change or differ in anyway, then the results of these changes or differences could produce a different organizational climate. [103]

According to Litwin and Stringer,[104] organisational climate measures the following:

1.  Structure – feelings about constraints and freedom to act and the degree of formality or informality in the working atmosphere.

2.  *Responsibility* – the feeling of being trusted to carry out important work.

3.  *Risk* – This is the sense of taking risk and challenge in the job and organization; with relative emphasis on playing, it safe or taking calculated risks.

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[103] Joseph B. Holloway, "Leadership Behavior and Organizational Climate: An Empirical Study in a Non-profit Organization," *Emerging Leadership Journeys* (Regent University School of Global Leadership & Entrepreneurship) 5, no. 1 (April 2012): 13.

[104] George H. Litwin and Robert A. Stringer Jr., *Motivation and Organisational Climate*, (Boston: Harvard University Press,1968), 10.

4. *Warmth* – This refers to the existence of a friendly, warm and informal social group within the organization.

5. *Support* – The relationship of helpfulness that exist between managers and co-workers; with emphasis on mutual support.

6. *Standards* – it is the perceived importance of implicit and explicit goals not leaving out performance standards while laying emphasis on doing a good job. It is the challenge presented in personal and team goals.

7. *Conflict* – That feeling of wanting to hear different opinions by managers and co-workers. Talking problems out in the open rather than brushing it under the table and ignoring like it never existed.

8. *Identity* –That feeling of belonging, knowing you are valued and are considered as part of the team.

(Koys and DeCotiis 1991) [105]state that typical dimensions of organizational climate cover the following eight categories:

1. *Autonomy* – the perception of self-determination with respect to work procedures, goals and priorities.

2. *Cohesion* – the perception of togetherness or sharing within the organization setting, including the willingness of members to provide material risk.

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[105] Daniel J. Koys and Thomas A. DeCotiis, "Inductive Measures of Psychological Climate," *Human Relations* 44, no. 3 (1991): 267.

3. *Trust* – Possessing the freedom to communicate freely about sensitive and personal issues with members at higher organizational levels with the expectation that the integrity of such communication will not be violated.

4. *Resource* – This refers to the perception of time demands when it comes to task competition and performance standards.

5. *Support* – This is the extent to which superiors tolerate other members' behaviour, which includes the willingness to let members learn from their mistakes without fear of reprisal.

6. *Recognition* – The feeling when your contribution made as a member is acknowledged

7. *Fairness* – Knowing that organizational policies are non-arbitrary or capricious.

*Innovation* – This is when change and creativity are encouraged, including encouraging risk taking in areas where the member has little or no prior experience.

Shaping an appropriate organizational climate is of critical importance, as an appropriate environment and atmosphere facilitate the exchange of knowledge and ideas among employees. Changes in company leadership are crucial in a fast-growing market in order for the company to remain competitive in the market. A change in leadership also changes the company's organizational climate. Changing the organizational climate means changing the perception of individual key situations, so that the desired reactions are evoked among employees in order to attain the previously set objectives.

According to Minguu, in an organization, the leaders' mood has some effects on his group. These effects can be described in 3 levels:

*The mood of individual group members*: Group members led by a leader with a positive mood will experience a more positive mood than group members with leaders in a negative mood. Moods are transmitted by leaders to other group members through the mechanism of mood contagion. This is a psychological mechanism by which charismatic leaders influence their followers.

*The affective tone of the group*: This represents a consistent or homogeneous affective reaction within a group. It is an aggregate of the moods of the individual members of the group and could be seen as the mood at the group level of analysis. Groups with leaders who are in a positive mood have a more positive affective tone than groups with leaders in a negative mood.

*Group processes like coordination, effort expenditure, and task strategy*: The public expression of moods will also determine how members will act. The manner in which a mood is expressed sends signals to others. Leaders signal their goals, intentions, and attitudes through their expressions of moods. For example, expressions of positive moods by leaders signals that leader's deem progress toward goals to be good. The group members respond to those signals cognitively and behaviourally in ways that are reflected in the group processes.[106]

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[106] Minggu, "Leadership," *Gina Mediana.* December 27, 2009, http://thinkgoodsmart.blogspot.com/2009/12/leadership.html (accessed January 13, 2021).

*A Dimensional View of Organizational Climate*: Though several studies have been conducted on organizational climate but there has been no agreement about a common set of dimensions of organizational climate. It is so because, many climate researchers have assessed the specific climate in which they were interested rather than attempting to develop some omnibus measures. For example, while F.W. Taylor explored climates for creativity, Schneider and Bartlett examined climates for new employees, Fleishman spoke about leadership climate, and Litwin and Stringer initiated a climate for motivation.[107]

Hence the aforesaid researchers endeavored to assess the organizational climate in a particular situation, from their own point of views and, therefore it, cannot be generalized. Denison has, therefore, rightly remarked that it is a challenge for researchers to offer a single and central view of dimensions. In order to have a better understanding of the diversities in the arena of climate researches, so far as the conceptualization and measurement organizational climate in schools is concerned, Halpin and Croft [108] can be considered as pioneers. In order to measure the climate of elementary schools, they constructed the Organizational Climate Descriptive Questionnaire (OCDQ) which is divided into eight dimensions, viz. disengagement, hindrance, s-espirit, intimacy, aloofness, production emphasis, thrust, and consideration. Of these eight dimensions, four refer to characteristics of the teachers and four concerning to the characteristics of the head of the institution as a leader. In a study by Forehand and Glimer[109] they identified five

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[107] Vikas Madhukar and Sharma Sulabh, "Organizational Climate: A Conceptual Perspective," *International Journal of Management and Business* 7 (2017): 282

[108] See Andrew W. Halpin and Don B. Croft, *The Organizational Climate of Schools* (Chicago, IL: Chicago University Press, 1962).

[109] Garlie A. Forehand and Gilmer Von Haller, "Environmental Variation in Studies of Organizational Behavior," *Psychological bulletin 62* (1964): 364.

dimensions, viz. structure (of the organization), size, complexity, leadership style, and goal directions.

Tagiuri Renato [110] pointed out four dimensions of organizational climate, viz. ecology (physical and material factors in the enterprise like technology used, condition of the building, size, etc.), social system (organizational and administrative structure of the enterprise), milieu (everything socially related to employees of the enterprise), and culture (set of beliefs, norms, values, way of thinking of the personnel of the enterprise). Litwin and Stringer introduced a very comprehensive framework of organizational climate measuring the perceptions of organizational climate on six dimensions: structure, responsibility, reward, risk, warmth and support with the help of a structured questionnaire.

While defining organizational climate based on individual attribute approach, Schneider and Barlett identified involvement, co-worker support, cohesion, supervisor support, autonomy, task orientation, work pressure, clarity, managerial control, innovation, physical comfort, as the dimensions of organizational climate. Work Environment Scale is developed by Moos incorporated some of these dimensions. Campbell, Donnette, Lawler and Wick while defining organizational climate as psychological climate, gave four dimensions, viz. degree of structure imposed, individual autonomy, considerations/warmth/support, and reward.

House and Rizzo[111] identified around fourteen dimensions of organizational climate including timely decision making, upward information requirement induction, top

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[110] Tagiuri Renato, "The Concept of Organizational Climate," in Tagiuri Renato and Litwin George (Eds.), *Organizational Climate: Exploration of a Concept* (Boston: Harvard University Press, 1968), 14.

[111] John Rizzo and Robert J. House, "Toward the Measurement of Organizational Practices: Scale

management receptiveness, formalization, job pressure, selection criterion, team work, chain of command, inter-group cooperation. Autonomy, trust, cohesiveness, support, pressure, recognition, innovation, and fairness are the eight dimensions of organizational climate that were identified by Decotiis and Summers[112]. In a research conducted by James, Jones, Hartman, and Stebbins[113] in a big health care organization on management employees, six dimensions of organizational climate identified included conflict and ambiguity, importance and variety, job challenge, facilitation and support, leadership, professional and organizational spirit and job standards.

### *2.1.7 Business Growth*

According to Absanto the term growth means increase in size, or an improvement in quality as a result of a process of development in which an interacting series of internal changes leads to increases in size accompanied by changes in the characteristics in the growing object.[114] Business growth is the act of enhancing an operational activity of an enterprise with the goal of attaining success. This can be achieved either by product sales or service income, boosting the top line or revenue of the business with greater or by increasing the bottom line or profitability of the operation by minimizing costs

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Development and Validation," *Journal of Applied Psychology* 56, no. 5 (1972): 389

[112] Thomas A.DeCotiis. and Timothy P. Summers, "A Path Analysis of a Model of the Antecedents and Consequences of Organizational Commitment", *Human Relations* 40, no. 7 (July 1987): 450. https://doi.org/10.1177/001872678704000704.

[113] Lawrence, et al, "Relationships Between Psychological Climate And A Vie Model For Work Motivation," *Personnel Psychology* 30*,* no. 2 ( June 1977): 231.

[114] Abansto Gerald and E. Nnko, "Analysis of Business Growth Strategies and Their Contribution to Business Growth: A Tanzania Case Study," *International Journal of Economics, Commerce and Management United Kingdom* 1, no. 1 (2013): 12.

Before discussing the different growth, strategies that can be formulated by the business strategists, it's important to elaborate the indicators through which these strategies can be realized whether the business is growing or not. These indicators are important because only through tis can the managers can assess the effectiveness and efficiency of their growth strategies. The indicators are grouped under four categories namely; business outcomes, business outputs, capacity and qualitative indicators.[115]

*Outcome indicators:* Profitability is often used by many companies to determine success and growth. The difference between revenues and costs is a common target of all private businesses and has to be achieved in order for any other objective to be sustainably realized. The amount of profit that a business makes is a function of revenues generated as well as the level of efficiency in the business. Increase in profit thus signifies an increase in sales and increase in efficiency. So generally, one can observe his/her business growth through the increment of these aspects.[116]

*Output indicators:* Products or sales are the main output of a business. Production level can be a reasonable indicator of the business size because it reflects both the capacity of the business and its potentiality for profit. The value of goods produced is not readily available to the outsiders, so sales value is most widely used growth indicator. When

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[115]   See Gerald Abansto and E. Nnko, "Analysis of Business Growth Strategies and Their Contribution to Business Growth: A Tanzania Case Study," *International Journal of Economics Commerce and Management* 1, no. 1 (2013): 3

[116] See Gerald Abansto and E. Nnko, "Analysis of Business Growth Strategies and Their Contribution to Business Growth: A Tanzania Case Study," *International Journal of Economics Commerce and Management* 1, no. 1 (2013): 3.

number of products produced by the business increases it implies that the business is growing.[117]

Leadership plays a vital role on how a business is run and its attainment of goals. An organization is considered to be effective if it finds the balance between the demands of various stakeholders (owners, employees, customers, community) and the needs of employees. We believe that good leadership can influence and ensure the prosperity and the growth of both organisation and employees. Effective leadership also involves motivation, management, inspiration, remuneration and analytical skills. When all these are present the organisation records increased employee satisfaction that positively influences the productivity and the profit.

This positive effect of leadership was measured by some researchers[118] through; human resources, employee involvement, organisation effectiveness and financial performance. Penrose has already shown in 1959 that, growing organisation leaders have a value system heavily oriented imagination and vision on long-term horizons, of course in favour of ambitious development projects. The modelling of the growth has clearly left behind block factors, which are generally limited to economic and demographic characteristics of leaders and almost completely obscuring the potential impact of their personal values. Yet the personal values of the leader could influence growth, some of which are: the feeling of achievement, the desire for autonomy, self-esteem, altruism and ethics. The influence of the autonomy of the leader on growth has been the subject of

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[117] Gerald Abansto. and E. Nnko, "Analysis of Business Growth Strategies and Their Contribution to Business Growth: A Tanzania Case Study," *International Journal of Economics Commerce and Management* 1, no. 1 (2013): 4.

[118] Sila, Ismail, and Ebrahimpour Maling, "Examination and Comparison of the Critical Factors of Total Quality Management (TQM) Across Countries," *International Jornal of Production Research*, 1 (2003): 237.

several studies. Thus, Keeley and Knapp[119]concluded that the founders of highly successful companies experience an intense desire for autonomy. According to Perren [120], the desire to be your own boss, and be autonomous encourages leaders to strive for success and organisation growth.

This view was also asserted by Turran and A [121]as they were of the opinion that, a guarantee of a stable job stimulates SME managers' motivation to growing their business. Self-esteem amongst other variables such as the leader's competence, organisations culture and climate have an influence on the leader's ability to lead with a rightful mind-set of growing the business while achieving desired goals and improving general performance. Self-esteem, depicts a correct view of oneself, which allows feeling good with yourself, or, in a word, trusting yourself. Self-knowledge is important for business leaders.

For it is generally accepted that trust plays a major role in the relationship between the individual and the enterprise's performance.[122] Thus, to increase the size of the business, one must have in mind a confidence, that is to say, get into shape to accept this growth; which is, firstly, by the will of action of the leader and, secondly, by a gift and a gift-cons.[123]The growth of the enterprise requires, therefore, on the part of its leader, self-

[119] R. H. Keeley and R. W. Knapp, "Founding Conditions and Business Performance: High Performers vs. Small vs. Venture-Capital Backed Start-Ups," (Frontiers of Entrepreneurship Research, Babson College 1994), 100.

[120] L. Perren, "Factors in the Growth of Micro-Entreprises: Part 1, Developing a Framework," *Journal of Small Business and Enterprise Development* 6 (2000): 389.

[121] Mehmet Turan and AliKara, "An Exploratory Study of Characteristics and Attributes of Turkish Entrepreneurs: A Cross-Country Comparison to Irish Entrepreneurs." *Journal of International Entrepreneurship* 1 (2007): 30.

[122] José Allouche and Bruno Amann, "L'Entreprise Familiale, un État de L'Art. Finance Contrôle Stratégie," 1 (2000): 34.

[123] Godbout, T. Jacques. *L'esprit du Don.* La Découverte/Poche (2000), 345.

esteem. Leadership is one of the vital factors for improving organisation performance. Thus leaders, as the key decision-makers, determine the acquisition, development, and deployment of organizational resources, the conversion of these resources into valuable products and services, and the delivery of value to organizational stakeholders. Thus, they are strong sources of managerial and sustained competitive advantage[124]. Organizational leadership is a dual focused management approach that works towards what is best for individuals and what is best for a group as a whole simultaneously. [125] It is also an attitude and a work ethic that empowers an individual in any role to lead from the top, middle, or bottom of an organization.

In the early 20th century, Frederick Winslow Taylor, introduced the practice of scientific management though it is not a leadership theory but it influenced the way leaders interacted with their employees. Taylor emphasized division of labor through which the employer could get the most out of their employees. Taylor believed that "leaders were born, not made and assumed there was only one form of effective leadership.

## *2.1.8 A Conceptual Model of Organizational Leadership and Business Growth*

This model is based on perceptions and logic-based reasoning, which we made after reviewing concepts on the related topic. Our model is inspired by the analysis of other concerned scientific literature and journals. Also any scientific, calculated, and proven relation between the characters of our model cannot be claimed yet, though. Our model can open new ways for researchers to think further on these lines which may lead them to

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[124] Bernard M. Bass, Bruce J. Avolio, and Dong I. Jung,"Examining the Components of Transformational and Transactional Leadership Using the Multifactor Leadership," *Journal of Occupational and Organisational Psychology* 72, no. 4 (1999): 441.

[125] W. G. Rowe, "Creating Wealth in Organisations: The Role of Strategic Leadership," *The Academy of Management Executive* 15, no. 1 (2001): 83.

develop any strong and proven relation between the characters of this model:

*Figure 1*: Conceptual Model

**Independent Variable**　　　　　　　　**Dependent Variable**
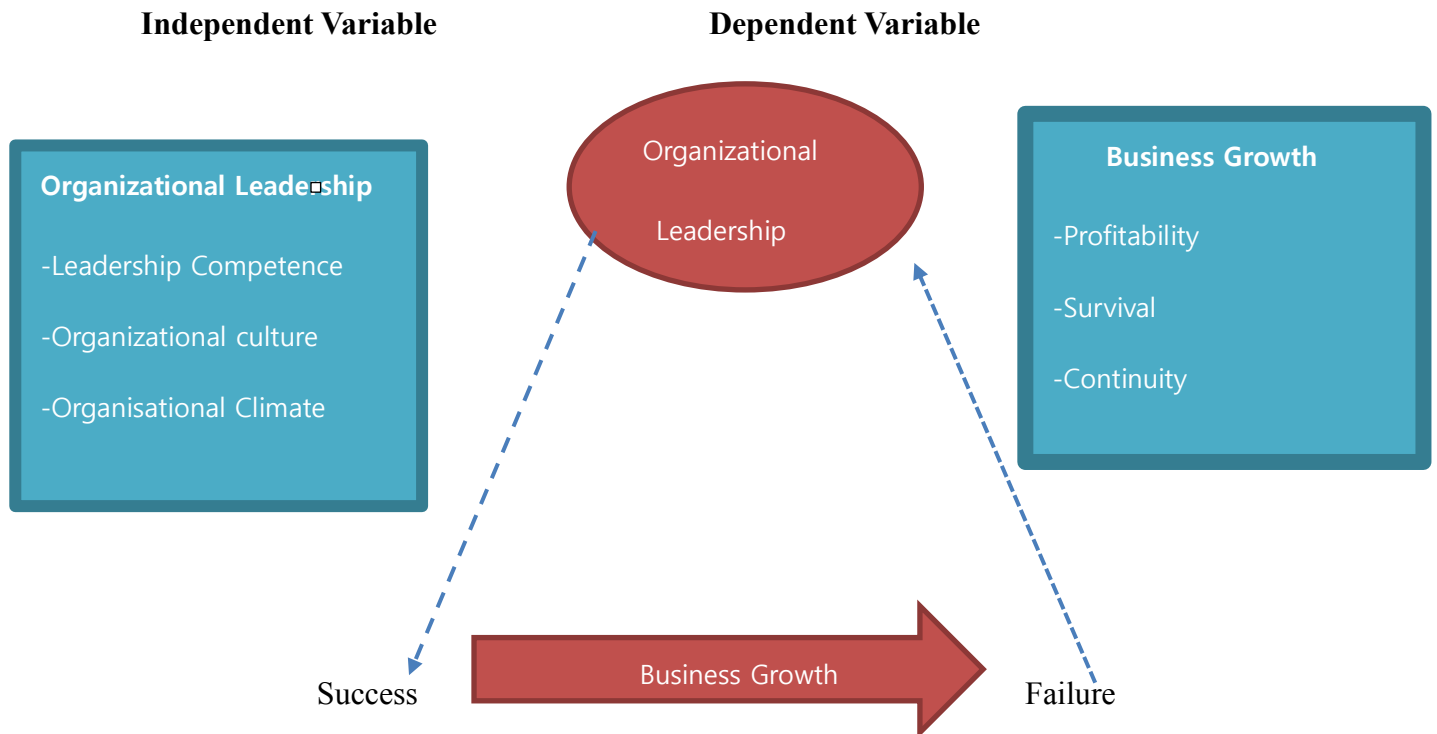


Using this model, we will try to see the phenomena of organizational leadership with respect to business growth. The type of an organization is not so much of a concern. Why business growth and how organizational leadership can influence growth is the principal concern of this model. While designing this model, we assume that an organization adopts some leadership attributes for the sake of profitability, survival and continuity. We believe in this model that the beginning point is leadership and the destination is business growth with high level of organizational performance. Along these two extreme ends there is a possibility of success (S) or failure (F). A successful Organizational leadership will lead to business growth. But an unsuccessful one will lead to failure. It becomes incumbent on leaders to revisit and work on the organizational attributes in case of failure. These attributes include competence, climate and culture. This model is flexible and open for further research. We hope researchers and scholars can make this model more interesting and fruitful by adding and introducing the other characters through which the relationship

between the leadership and business growth can be investigated.

## 2.2 Theoretical Review

The following three group of theories will be reviewed:

- Behavioral and Style theories

- Functional theory

- Situational and Contingency theories

### *2.2.1 Behavioural and Style Theory*

Some theorists began to research leadership as a set of behaviors, evaluating the behavior of successful leaders, determining a behavior taxonomy, and identifying broad leadership styles.[126] David McClelland posited that leadership takes a strong personality with a well-developed positive ego. To lead, self-confidence and high self-esteem are useful, perhaps even essential[127].Kurt Lewin, Ronald Lipitt, and Ralph White developed in 1939 the seminal work on the influence of leadership styles and performance. They evaluated the performance of groups of eleven-year-old boys under different types of work climate. In each, the leader exercised his influence regarding the type of group decision making, praise and criticism (feedback), and the management of the group tasks (project management) according to three styles: authoritarian, democratic, and laissez-faire.[128]

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[126] Spillane P. James, "Educational Leadership," *Educational Evaluation and Policy Analysis* 26, no. 2 (2004): 169.

[127] Horton Tom, *The CEO Paradox: The Privilege and Accountability of Leadership, (*New York: AMACOM, 1992), 23.

[128] K. Lewin, R. Lippitt, and R. K. White, "Patterns of Aggressive Behavior in Experimentally Created Social Climates," *Journal of Social Psychology* 10, no. 2 (1939): 270.

In 1945, a study was conducted by Ohio State University which investigated observable behaviors portrayed by effective leaders. Then it later identified if these particular behaviors are reflective of leadership effectiveness. The findings of the study was narrowed down to two identifiable distinctions. The first dimension was identified as "Initiating Structure", which described how a leader defines goals, clearly and accurately communicates with his/her followers, and determines how tasks are performed. These which were considered "task oriented" behaviors. The second dimension is "Climate", which indicates the leader's ability to build an interpersonal relationship with their followers, to establish a form of mutual trust. These are considered "social oriented" behaviors.[129]

The Michigan State conducted its studies in the 1950s, and made further investigations which presented findings that positively correlated that behaviors influence leadership effectiveness. Although they had similar findings as the Ohio State studies, they also pointed out an additional behavior identified in leaders: that is the participative behavior (also called servant leadership), or allowing the followers to participate in group decision making and encouraged subordinate input. This entails avoiding controlling types of leadership and allows more personal interactions between leaders and their subordinates.[130]

B. F. Skinner, the father of behavior modification developed the concept of positive reinforcement. Positive reinforcement occurs when a positive stimulus is presented in

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[129] Leadership. *Wikipedia.* n.d. https://en.wikipedia.org/wiki/Leadership, Leadership. Wikipedia (accessed January 23, 2021).

[130] Aamodt G. Michael, *Industrial/Organizational Psychology: An Applied Approach* 8th (Virginia: Cengage Learning, 2015), 56.

response to a behavior, increasing the likelihood of that behavior in the future.[131]  Assuming

that praise is a positive reinforcer for a particular employee, where he does not show up to

work on time every day, the manager of this employee can decide to praise the employee

for showing up on time every day the employee actually shows up to work on time. As a

result, the employee will come to work on time more often because the employee likes to be

praised. In this example, praise (the stimulus) is a positive reinforcer for this employee

because the employee arrives at work on time (the behavior) more frequently after being

praised for showing up to work on time. Positive reinforcement coined by Skinner enables a

behavior to be repeated in a positive manner, and on the other hand a negative reinforcer is

repeated in a way that is not as plausible as the positive.[132] The use of positive

reinforcement is a successful and growing technique used by organizational leaders to

motivate and attain desired behaviors from subordinates. Empirical research covering the

last 20 years suggests that reinforcement theory has a 17 percent increase in performance.

Additionally, many reinforcement techniques such as the use of praise are inexpensive,

providing higher performance for lower costs.[133]

Critical theorists now interpret leadership in a more complex way, which extends the

idea of leadership beyond the individual, adding breadth to the debate. This breadth can

work both ways, it can broaden the view of leadership in a useful way but at the same time

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[131] Janka Stoker, Jan Kees Looise, O. A. M. Fisscher, and Rendel De Jong, "Leadership and Innovation: Relations between Leadership, Individual Characteristics and the Functioning of R&D Teams," *The International Journal of Human Resource Management* 12  (November 2001): 1143.

[132] R. Blake and J. Mouton, *The Managerial Grid: The Key to Leadership Excellence* (Houston: TX: Gulf Publishing Company, 1964), 20.

[133] Robert N. Lussier and Christopher F. Achua, *Leadership, Theory, Application, & Skill Development.* 4th. (Ohio: South-Western Cengage Learning, 2010), 10.

leadership can appear to be everywhere, as the panacea for all problems. Alvesson argues

that the current popularity of leadership means that it colonizes social and personal life:

> There is a tendency for 'leadership' to colonize a wider spectrum of social
>
> and personal life. At least in Sweden, leadership is increasingly viewed as
>
> a solution also in work areas and professions where self-governance is –
>
> or used to be seen as – the norm, like in schools, universities and the church.[134]

The contribution Behavioral theories of leadership to this study is that the actions and

actual behaviors of a leader are what defines success in organizations. Leaders can learn and

decide what actions to implement that will enable them attain the goals and objectives of

their organizations.

### 2.2.2 Functional Leadership Theory

The Functional leadership theory addresses specific leader behaviors that are expected

to contribute to organizational effectiveness.[135] This theory argues that the leader's main job

is to see that whatever is necessary to group needs is taken care of; thus, a leader can be said

to have done their job well when they have contributed to group effectiveness and cohesion

(Hackman and Walton 1986). A variety of leadership behaviors are expected to facilitate

these functions. (Fleishman 1953)[136] observed that subordinates perceived their

supervisors' behavior in terms of two broad categories (i) consideration and (ii) initiating

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[134] Horton Tom, *The CEO Paradox: The Privilege and Accountability of Leadership (*New York: AMACOM, 1992), 23.

[135] See Adair John, *Action-Centred Leadership,* New York: McGraw-Hill., 1973;Hackman, J. R. and R. E. Walton, "Leading Groups in Organizations," In *Designing Effective Work Groups*, by P. S. Goodman and Associates (San Francisco: CA: Jossey-Bass, 1986), 75; and J. E. McGrath, "Leadership Behavior: Requirements for Leadership Training," U.S. Civil Service Commission Office of Career Development, Washington, D.C, (1962), 35.

[136] Edwin A. Fleishman, "The Description of Supervisory Behavior," *Journal of Applied Psychology* 37 (1953), 190.

structure. Consideration includes behavior involved in fostering effective relationships. Examples of such behavior would include showing concern for a subordinate or acting in a supportive manner towards others. Initiating structure involves the actions of the leader focused specifically on task accomplishment. This could include role clarification, setting performance standards, and holding subordinates accountable to those standards.

The contribution of this theory to the study is that it emphasizes on the leadership competencies. Functional leaders must possess adequate knowledge skills and attitudes that can enhance team leadership that will in turn promote organizational effectiveness. Their functions most often include environmental monitoring, organizing subordinate activities, teaching and coaching subordinates, motivating others, and intervening actively in the group's work.[137]

### *2.2.3 Situational and Contingency Theories*

The situational and contingency theories came about as a reaction to the trait theory of leadership. They assume that different situations call for different characteristics. According to these group of theories, no single optimal psychographic profile of a leader exists. Therefore, what an individual actually does when acting as a leader is largely dependent upon characteristics of the situation in which he functions (Heifetz 1994)[138]. The leadership climate, leadership styles (authoritarian, democratic and laissez-faire) and identifying which situations each style works better characterizes the situational theory.  For example, the authoritarian leadership style is approved in periods of crisis but fails to win the "hearts and minds" of followers in day-to-day management; the democratic leadership

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[137] See "Leadership." *Wikipedia.* n.d. https://en.wikipedia.org/wiki/Leadership, Leadership. Wikipedia (accessed January 23, 2021).

[138] R. Heifetz, *Leadership without Easy Answers,(*Cambridge: MA: Belknap Press, 1994), 23.

style is more adequate in situations that require consensus building; finally, the laissez-faire leadership style is appreciated for the degree of freedom it provides, but as the leaders do not "take charge", they can be perceived as a failure in protracted or thorny organizational problems (Hemphill 1949)[139].

Other theorists are of the opinion that the style of leadership is contingent to the situation, hence the contingency theory. Three contingency leadership theories appear more prominently in recent years: Fiedler contingency model, Vroom-Yetton decision model, and the path-goal theory. The Fiedler contingency model bases the leader's effectiveness on what he called *situational contingency*. This results from the interaction of leadership style and situational favorability (later called *situational control*).[140] Fred Fiedler's Contingency approach attempted to rescue management theory from the simplistic notion of the 'one-best-fit' manager/ leader for all situations. Fiedler proposed that the leadership style would need to be different to fit different situations, that is it had to be situational and contingent. He attempted to find the optimal match between leadership style and situation. The theory defined two types of leaders; those who tend to accomplish the task by developing good relationships with the group (relationship-oriented), and those who have as their prime concern carrying out the task itself (task-oriented) (Wormer 2007)[141]. According to Fiedler, there is no ideal leader. Both task-oriented and relationship-oriented leaders can be effective if their leadership orientation fits the situation. When there is a good leader-member relation, a highly structured task, and high leader position power, the situation is considered

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[139] Hemphill Knox John, *Situational Factors in Leadership,* (Ohio: Ohio State University 1949), 15.

[140] "Leadership" *Wikipedia.* n.d. https://en.wikipedia.org/wiki/Leadership, Leadership. Wikipedia (accessed January 23, 2021).

[141] Wormer van Katherine, " Principles of Motivational Interviewing Geared to Stages of Change: A Pedagogical Challenge," *Journal of Teaching in Social Work* January (2007): 23.

a "favorable situation". Fiedler found that task-oriented leaders are more effective in extremely favorable or unfavorable situations, whereas relationship-oriented leaders perform best in situations with intermediate favorability.

The path-goal theory of leadership developed by R. J. House[142] and based on the expectancy theory of Victor Vroom states that leaders should be effective, engage in behaviors that complement subordinates' environments and abilities in a manner that compensates for deficiencies and is instrumental to subordinate satisfaction, individual and work unit performance.[143] The theory identifies four leader behaviors, achievement-oriented, directive, participative, and supportive, that are contingent to the environmental factors and follower characteristics. The path-goal model states that these four leadership behaviors are fluid, and that leaders can adopt any of the four depending on what the situation demands. The fact that the path-goal model depends on the circumstances or situation, it can be classified as a contingency theory.

Critics challenge his research claims of success on the grounds that there has been a failure to replicate results and some of the results conflict with subordinates' accounts of leaders.[144]

The contribution of these theories to this study is that it will help sensitize organizational leaders on the fact that using these theories will enable them to adapt to their team's needs and set a beneficial balance for the whole organization. Flexibility will be

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[142] Robert J. House,"A Path Goal Theory of Leader Effectiveness," *Administrative Science Quarterly* 3, no. 16 (1971), 321.

[143] Victor Harold Vroom and Arthur G. Jago, *The New Leadership: Managing Participation in Organisations* (Englewood Cliffs, NJ: Prentice Hall), 1988.

[144] See Heifetz, R. *Leadership without Easy Answers (*Cambridge: MA: Belknap Press, 1994).

promoted thereby creating a comfortable environment for workers while taking into consideration the developmental phases into account. It also increases leadership competences, build a positive organizational climate and boosts the organizational culture through routine training.

## 2.3 Empirical Review

Growth is essential for raising profitability of the firm. Business growth is a natural process of adaptation and development that occurs under favourable conditions. Business growths cannot be achieved over night. It takes place gradually. The business has to adapt to several circumstances to survive and grow. Business growths is an organic objective. Once the business is survived, it aims to grow. Growth gives the business continuous existence in the market. Business growth means increase in the number of business activities such as increase in production, increase in sales, profit, promotion etc. growth creates confidence in the minds of employees, shareholders, customers investors etc.

Business growths does not happen by itself. To grow business requires a blueprint that provides clarity of further actions to be taken. The plan must also be dynamic and respond to a changing environment. Business growths can be achieved through expansion and diversification, mergers, amalgamation and takeovers. Business growths is beneficial to the society as it provides employment to the labours, better quality of products to the customers, dividend to the shareholders and prosperity and prestige in the market. Growth enables the business to create market opportunities, face competition and make optimum utilisation of available resources. Growth also enables to undertake innovation and develops corporate image.

Growth is pervasive. It is not applicable to any one particular type of organisation. It takes place in all types of business such as sole trading concern, partnership firm, joint

stock companies and cooperative societies just to name a few. As far as organisational leadership is concerned, empirical literature will be reviewed on the following features of business growth:

- Organisational culture and profitability

- Leadership competence and responsiveness

- Organisational climate and commitment

### 2.3.1 Organisational Culture and Profitability

AlAnazi, Shamsudin and Johari [145] in their study also assessed organizational culture using an Organizational Culture Assessment Instrument (OCAI), which reflects four dimensions of organizational culture (hierarchy culture, market culture, clan culture, and adhocracy culture), will be used to measure the kind of organizational culture that prevails in the respondent's organization. More specifically, twenty items were adapted from OCAI to measure aspects of organizational culture. Hierarchy culture was measured with five items (e.g., "The organization emphasizes permanence and stability. Efficiency, control and smooth operations are important" and "Loyalty and truth hold our organization together is loyalty and mutual trust, commitment to the organization runs high."). Market culture was measured with five items (e.g., "The management style in the organization is characterized by individual risk-taking, innovation, freedom and uniqueness" and the management style in the organization is characterized by hard-driving competitiveness, high demands and achievement). Clan culture was measured with five items (e.g., the management style in the organization is characterized by security of employment, conformity, predictability and

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[145] A. AlAnazi, F. Ahmad, Mohd Shamsudin, and J. Johari, "Linking Organisational Culture, Leadership Styles, Human Resource Management Practices and Organisational Performance: Data Screening and Preliminary Analysis," *American Journal of Management* 16, no. 1 (2016): 73

stability in relationships and the glue the holds the organization together is the emphasis on achievement and goal accomplishment).

Finally, adhocracy culture was measured with five items (the organization defines success on the basis of having the most unique or the newest products. It is a product leader and innovator and the management style in the organization is characterized by teamwork, consensus and participation ). If in an organization these consensuses of organizational culture are taken into consideration it will most likely improve the organizational leadership because there is an understanding of the organizational culture. This understanding will not only improve organizational performance and successes but also business growth.

Björn [146] developed a linkage between organizational culture and firm profitability. The construction of the list of profit enhancing organizational values was based on a data set of ca. 4.000 value statements espoused by ca. 150 organizations in Europe. The values were linked to three different profitability measures which were derived from current research. He analyzed which of the values had the highest impact on firm profitability. Data collection was done in two parts. The first part of the data contained a description of the working culture in organizations. Data was analyzed using text statements from employees of large European organizations. The data sample contained statements about organizational cultural values from companies listed at the blue-chip indices from Finland (OMX Helsinki 25), Norway (OMX Oslo 30), Denmark (OMX Copenhagen 20), Sweden (OMX Stockholm 30) and Europe (EuroStoxx 50).

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[146] Björn Nordics Preuss, *Organizational Values and Firm Profitability: A Financial and Cultural Perspective on Europe,* (Project: Corporate Culture and M&A in the Nordics, November 2018). Bjorn analyzes which of the values have the highest impact on firm profitability and with that characterize a profitable firms organizational culture. The results show a domination of business values that are customer focused and product related, furthermore values related to human resource play a significant role. By advancing our understanding of organizational cultural values and its linkage to firms profitability, we provide a means by which future research into organizational values and corporate culture can progress.

The second part of the data collection aimed at collecting data that helped to describe companies' profitability and performance from a financial perspective. The paper applied the anova method to generate the decision tree. The results show a domination of business values that are customer focused and product related, furthermore values related to human resource play a significant role. (Guiso, Paola and Luigi 2015) [147]presented his findings that cultural values like hard working and integrity had the biggest impact on firms profitability. As a sub conclusion the authors are of the opinion that, the organizational culture is mainly driven by business values which have the product and customer in the center.

### 2.3.2 *Leadership Competencies and Responsiveness*

Susita, Mohamed and Mohd [148] in their study investigated the operations strategy of service firms (hotels) in order to determine whether the leadership competency would affect their responsiveness (as a cumulative capability) to their employees and customers and eventually their performance (increase in revenue). Their approach took the form of an empirical analysis of data (using structural equation modelling) obtained via a questionnaire survey involving 88 hotels of various ratings in Malaysia. The findings indicated that leadership competency and organizational culture have positive relationships with responsiveness. In addition, responsiveness has a positive relationship with hotel revenue. These findings imply that leadership competency and organizational culture are important factors for hotels to be responsive to their customers, and in turn responsiveness to customers would improve hotel revenue. Some limitations found included those that come

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[147] Luigi Guiso, Sapienza Paola and Zingales Luigi, "The value of Corporate Culture," *Journal of Financial Economics* 117 (2015): 63.

[148] Susita Asree, Mohamed Mohd Zain, and Rizal Razall, "Influence of Leadership Competency and Organizational Culture on Responsiveness and Performance of Firms," *International Journal of Contemporary Hospitality Management* 22, no. 4 (2010): 512.

with cross-sectional analysis, the use of perceptual measures, and low response rate. The

practical implications were that hotel managers need not only to improve their leadership

competency but also to instil an organizational culture that is supportive of their employees.

These operations practices would make their hotel more responsive to customer needs,

which in turn would help to improve their hotel performance. Leadership competency was

examined in the context of service operations practices where evidence was provided that

leadership competency would affect cumulative capability of responsiveness of service

firms.[149]

Organizational culture was viewed in the context of operations practices, where the

finding implied that organizational culture practices, such as attentive listening to staff,

giving reward and recognition for their performance, and taking care of their welfare, would

lead to a positive effect on the ability of a hotel to be responsive toward their customer

needs. Tsang and Qu [150] viewed the term "responsiveness" from two separate functional

perspectives: service marketing and operations management.

From the service-marketing viewpoint, it was related to the willingness to help

customers and to the speed of the service rendered and from the operations management

viewpoint, it was more related to the speed and variety of product/service offered. In the

study two perspectives of responsiveness were combined together. Hence, the

responsiveness referred to "the ability of a hotel to provide speedy services and a variety of

services as well as the willingness to help customers within service delivery processes".

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[149] Susita Asree, Zain Mohamed, and Rizal, Razall Mohd, "Influence of Leadership Competency and Organizational Culture on Responsiveness and Performance of Firms," *International Journal of Contemporary Hospitality Management* 22, no. 4 (2010): 512.]

[150] N. Tsang and H. Qu, "Service Quality in China's Hotel Industry: a Perspective from Tourists and Hotel Managers," *International Journal of Contemporary Hospitality Management* 12, no. 5 (2000): 316.

Thus, in this definition, responsiveness represented the cumulative capabilities in terms of multiple performance measures such as quality, speed (flexibility), and service.

The multidimensionality of the responsiveness assessment was also demonstrated in other studies Holweg and Hoyt, Huq and Kreiser[151].OECD [152] in their study concluded that growth starts way below the surface. How employees perceive the leader and the company mission determines their motivation to help the organization reach her goals.

Therefore, competent leaders must pave the way to success for everyone to be responsive. Thach and Thompson.[153]concluded that, there are a few leadership competencies that have been proven time and again as mandatory for employee responsiveness. These include the self-knowledge and technical competence regarding the specifics of the business in which the leader works, competency clusters of vision and goal-setting, interpersonal skills. In addition, commonly referenced competencies include: change management, strategic/visionary thinking, integrity/honesty, communication, technical competence, diversity consciousness, developing others, results-orientation, customer focus, business skills, interpersonal skills, problem-solving, decision making, political savvy, team leadership, influence skills, conflict management, more recently emotional intelligence, social and environmental responsibility, depending on the culture of the organization even humor and innovation.[154]

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[151] Hoyt J. F. Huq and P. Kreiser, "Measuring Organizational Responsiveness: the Development of a Validated Survey Instrument," *Management Decision* 45, no. 10 (2007): 1582.

[152] OECD, *Understanding Change in Government* (OECD Paris, Working Material, 2007), 8.

[153] E. Thach and K. J. Thompson, "Trading places – Examining Leadership Competencies between for between For-Profit vs. Public and Non-Profit Leaders," *Leadership & Organization Development Journa*l 28, no. 4 (2007): 370.

### 2.3.3 Organizational Climate and Commitment

Abdul-Nasser, Nour and Silva [155] in their study investigated the effects of the seven dimensions of organizational climate (Structure, Responsibility, Risk, Reward, Warmth and Support, Conflict, and Expect Approval) on the three types of organizational commitment (Affective, Continuance and Normative). The purpose of this paper was to examine if a relationship exists between each aspect of organizational climate and each type of employee commitment. The research reported the results of 214 survey questionnaires. Participants were individuals working in medium and large sized organizations located in Lebanon. Results indicated that the affective commitment is highly correlated with five components of organizational climates: structure, responsibility, warmth and support, conflict and expect approval.  Also, continuance commitment was impacted by three organizational climates: rewards, warmth and support, and structure. Moreover, normative commitment is significantly related with three organizational climates: rewards, warmth and support, and expect approval.

Research into organizations' climate and performance has thus yielded varying results. This diffuse pattern likely arose from different studies' use of different indicators of performance, from variations in the temporal sequence of measurement, and from the fact that different kinds of organizations were examined by different researchers. Many organizations ignore organizational climate; therefore, employees' work engagement and effectiveness might be very low. The organizational climate namely constitutes the way individuals in an organization perceive and characterize their environment in an attitudinal and value-based manner. Perceptions may, for example, include notions of cooperation,

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[155] Abdul-Nasser, El-Kassar, Chams Nour, and Karkoulian Silva, "Organizational Climate and its Effects on the Employees Commitment," *The Business Review* 19 (2011): 130.

leadership support, trust, fairness, friendliness, conflicts, performance standards and commitment.[156] Studies have shown that organizational climate significantly affects employees' mood, attitude and behavior, regarding their work environment.[157] Organizational climate is positively linked to job satisfaction and commitment.[158] Employees' behavior, motivation, engagement and outcomes, increases productivity, job satisfaction and performance. Organizational performance, leadership behavior, managerial and organizational effectiveness also decreases problems with staff.

In small and medium-sized organizations, leadership behavior is more personal as in large organizations.[159] Thus, good organizational climate is attributed to higher owner's employee productivity, commitment, satisfaction and better human relations.[160] and can be managed with leadership behavior.[161] Employee relations with owners could be seen more in small and medium-sized organizations more personal as supported by Ntalianis, Dyer and Vandenberghe.[162] This also contributes to better commitment and work satisfaction of

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[156] Cygler Joanna, Wlodzimierz Sroka, Marina Solesvik, and Katarzyna Debkowska, "Benefits and Drawbacks of Coopetition: The Roles of Scope and Durability in Coopetitive Relationships," *Sustainability* (Mdpi, St Alban-Anlage 66, Ch-4052 Basel, Switzerland) 10, no. 8 (August 2018): 66.

[157] R. M. Abdulkarim, "The Relationship between A Leader's Self-Perceived Level of Emotional Intelligence and Organizational Climate, as Perceived by Organizational Members ," (PhD Thesis, Grand Canyon University, 2013), 45.

[158] M. L. Castro and N. Martins, "The Relationship between Organisational Climate and Employee Satisfaction in a South African Information and Technology Organisation," *Journal of Industrial Psychology* 36, no. 1 (2010): 2.

[159] O. Jones and H. Crompton, "Enterprise Logic and Small firms: A model of Authentic Entrepreneurial Leadership," J*ournal of Strategy and Management* 2, no. 4 (2009): 330.

[160] U. Kumar-Bamel, S. Rangnekar, P. Stokes, and R Rastogi, "Organizational Climate and Managerial Effectiveness: An Indian Perspective," *International Journal of Organizational Analysis* 21, no. 2 (2013): 198.

[161] B. E. Maamari and J. F Majdalani, "Emotional Intelligence, Leadership Style and Organizational Climate," *International Journal of Organizational Analysis* 25, no. 2 (2017): 345.

[162] Filotheos Ntalianis, Linda Dyer and C. Vandenberghe. "Owner-Employee Relations in Small Firms." *Journal of Managerial Psychology* 30, no. 7 (2015): 832.

employees in such organizations.[163] Rožman, Tominc and Milfelner[164] in their researches found out that stress has a strong and negative impact on employee relationships and also a negative impact on employee satisfaction in medium-sized organizations.

Furthermore, employee relationships have a strong and positive impact on satisfaction and a positive impact on employee motivation in medium-sized organizations. In addition, satisfaction has a strong and positive impact on employee motivation in medium-sized organizations. Rožman, Treven and Čančerinvestigated the differences between motivation and satisfaction of employees from different age groups in the workplace in medium-sized organizations and they found out that on average, older employees are motivated by flexibility in the workplace; autonomy at work; good interpersonal relationships in the workplace; the possibility of working at their own pace; respect among employees; equal treatment of employees by age; compliments from the employer for good work; the possibility of working from home; intergenerational cooperation, thereby reducing burdens on the workplace; cooperation with other employees and the allocation of work by higher salary.[165]

On the other hand, younger employees are on average more motivated by higher salary; possibilities of advancement; the possibility for training and education; equal treatment of employees by age; the possibility of autonomy at work; the possibility of

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[163] M. S. Abdullah, M. Shuib, Z. Muhammad, H. N. Khalid, N. M. Nor, and J. Jauhar, "Employee Organisational Commitment in SMEs: Evidence from the Manufacturing Sector in Malaysia," *International Review of Business Research Papers* 3, no. 2 (2007): 15.

[164] Maja. Rožman, P. Tominc, and B. Milfelner, "A Comparative Study Using Two SEM Techniques on Different Samples Sizes for Determining Factors of Older Employee's Motivation and Satisfaction," *Sustainability* 12, no. 6 (2020): 2117.

[165] Maja. Rožman, S. Treven, and V. Čančer, "Motivation and Satisfaction of Employees in the Workplace," *Business Systems Research Journal* 8, no. 2 (2017): 15.

working at their own pace; compliments from the employer; respect among employees; good interpersonal relationships in the workplace; flexibility in the workplace; the possibility of diverse work; intergenerational cooperation, thereby reducing the burden on the workplace; the possibility of cooperation with other employees and the allocation of work and the possibility extended of holidays.[166]

Also, the results show that both younger and older employees in medium-sized organizations are satisfied, but the level of satisfaction differs. Motivated and satisfied employees in the workplace are the most complex topic of any organization. For increased productivity in organizations can only be achieved when employees are satisfied with their working conditions and environment, for there will be no reason to be inefficient and ineffective.

A positive organizational climate is one of the most important viewpoints of organizational environment, which has a direct relationship with employee behavior and productivity. Employee behavior in organizations is affected by a wide range of organizational characteristics and social relationships, which form the employees' work environment.[167] According to Maamari and Majdalani, [168] a positive organizational climate improves the organization's efficiency and lowers the costs of turnover. A positive organizational climate has a positive effect on financial results such as revenue growth, profits and return on sales. Organizational climate also helps in determining organizational

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[166] Maja. Rožman, S. Treven, and V. Čančer, "Motivation and Satisfaction of Employees in the Workplace," *Business Systems Research Journal* 8, no. 2 (2017): 15.

[167] A. Berberoglu, "Impact of Organizational Climate on Organizational Commitment and Perceived Organizational Performance: Empirical Evidence from Public Hospitals," *BMC Health Services Research* 18, no. 1 (2018): 9.

[168] B. E. Maamari and J. F Majdalani, "Emotional Intelligence, Leadership Style and Organizational Climate," *International Journal of Organizational Analysis* 25, no. 2 (2017): 346.

success.[169]

Small and medium-sized organizations represent a simpler and more integrated social system, with fewer people, fewer hierarchical levels and less subdivision of work. This changes with growing of an organization and, therefore, shows the importance of researching organizational climate components impact in different size of organizations. According to Putter,[170] small and medium-sized organizations have a more positive organizational climate than large organizations. Hamidianpour, et al.[171] emphasize that organizational climate has positive and significant impact on employees' creativity in medium-sized organizations. Also, organizational climate is known to be an important factor in motivating and enhancing the employee's creativity and their creativity is in turn as an important motivator for entrepreneurial orientation in medium-sized organizations.

Since creativity has a very strong and positive effect on entrepreneurship and thus performance, it is of great importance that with the growth of an organization, organization's managers take this into a detailed consideration and pay special attention to it. Medium-sized organizations performance is importantly influenced also with leadership style of its' management Madanchian and Taherdoost [172] and more informal and flexibles communication processes.

[169] B. Purohit and A. Wadhwa. "Organizational Climate from View point of Motivation in District Hospital." *Health* 4, no. 7 (2012): 403.

[170] L. Putter, "Organizational Climate and Performance." Master Thesis, Delft University of Technology, 2010, 12.

[171] F. Hamidianpour, M. Esmaeilpour, M. S. Alizadeh, and A. Dorgoee, "The Influence of Emotional Intelligence and Organizational Climate on Creativity and Entrepreneurial Orientation of Small to Medium-Sized Enterprises," *European Online Journal of Natural and Social Sciences* 4, no. 1 (2015): 21.

[172] M. Madanchian and H. Taherdoost, "Role of Leadership in Small and Medium Enterprises (SMEs)," *International Journal of Economics and Management Systems* 2, no. 1 (2017): 241.

**Chapter Summary**

This chapter reviewed literature on the topic, the effects of organizational leadership on business growth: the case of small and medium size enterprises (SME's) in Cameroon. A conceptual framework, theoretical framework and an empirical literature described and explained the variables of the study.

# CHAPTER 3

## RESEARCH METHODOLOGY

This chapter describes the methods, procedures of the study and the influence of organisational leadership on business growth. The following sub headings are presented; Research Design, Area of Study, Population for the Study, Samples and Sampling Techniques, Construction of the instrument, validity of the instrument, Reliability of the instrument, Method of Administration and Data Collection, Ethical Considerations and Method of Data Analysis.

### 3.1 Research Design

The study employs a positivist view and a cross-sectional analysis to explore the topic; the influence of organisational leadership on business growth. It follows-up with a survey of Small and Medium Sized Enterprises (SME) and their employees. The attribute of the research strategy is beneficial in finding out what is happening; to seek new insights; to ask questions and to assess phenomena in a new light. The study was carried out through primary resource tool to confirm the findings offered in secondary source reviews. The study was designed to examine leadership competence, organisational culture as well as organizational climate during the period of the study. Being cross-sectional research, it employed a typical or representative sample. A descriptive research of the survey design (checklist and questionnaires) was also used in the study. The choice of this method was based on the need to obtain first-hand data from the respondents so as to formulate rational and sound conclusions and recommendations for the study.

**3.2 Area of the Study**

The Republic of Cameroon (spelt Cameroun in French) occupies a surface land area of 475 4440 square kilometres situated between longitude 8000 and 17000 East, and latitude 2000 and 14000 North. It is bounded to the North by Chad and to the South by Equatorial Guinea, Gabon and Congo to the East by Central African Republic and to the West by Nigeria. Cameroon has 10 regions, a conglomerate of several ethnic groups, 240 tribes and an estimated population of about 22 million people. She has an annual population growth rate of 2.8%, urban population of 48.8%, rural population of 51.2%, birth rate per 1000 population of 39.6 (44.2 for rural areas and 34.8 for urban areas) (2005 census). Lying entirely within the tropics, it has two main vegetation zones.  The rain forest and savannah zones reflect the amount of rainfall and its spatial distribution. The wet and dry seasons are climatically the two major seasons in the country. Amongst the ten regions, the North West and the South West regions are the two Anglophone (English-speaking) regions that will be used for this study.

The economy and culture is the result of the great mixture of different traditions and ideas brought by different peoples from different regions. There is high level of migration from rural to urban areas. This accounts for the population density in urban areas and sparse population in the rural areas. Consequently, more SMES are in urban areas than they are in rural areas. Subsistence farming, plantation farming, hunting and fishing are predominant economic activities in the different regions.  These activities have to a greater extent influenced settlement. These settlements have in turn influenced community involvement in economic activities and the creation of SMEs.

Enterprises in Cameroon may be categorized into the following in terms of their managerial features and constraints: (1) large-size enterprises of state-established

enterprises, enterprises which were formerly state-established but have been privatized, and foreign capital enterprises which are targeting their businesses mostly on export markets, etc., (2) medium-sized enterprises, (3) small-sized enterprises, and finally (4) micro enterprises and individual proprietorships, some with a few family workers. The medium-sized enterprises of (2) above are not included under the category of SMEs currently in Cameroon This study is aimed at understanding the effect of organisational leadership on small and medium size enterprises in Cameroon.

**3.3 Population of the Study**

The population of the study comprised of all Small and Medium Sized enterprises (SME's) and their employees operating in the urban and rural areas of the Northwest and South west regions of Cameroon.

*Target population.*

The target population comprised of all SME's and their employees operating in the all the urban areas of the North West and South West regions of Cameroon.

*The Accessible Population*

The accessible population comprised of selected SME's and their employees operating in selected urban areas in the North West and South West regions of Cameroon.

**3.4 Sampling Size and Sampling Techniques**

A total of 298 respondents consisting of 104 leaders (managerial position holders) and 194 employees from 104 SMEs in the North West and South West regions were selected from the accessible population and constituted the sample of the study. The Non-Probability sampling technique particularly the Purposive sampling was used to select the North West

and South West regions (English speaking Regions) as a context variable. This was because the researcher considered that the chosen representatives not only represented the population but also that they possessed information that was useful to the researcher. Fraenkel, Wallen and Hyun state that the purposive sampling technique is a technique that uses personal judgement to select a sample. The sample of the study is represented on the table below as follows:

*Table 1*: **Samples Selected from Accessible Population**

| RESPONDENTS | NORTH WEST | | | SOUTH WEST | | |
|---|---|---|---|---|---|---|
| | N | P | S | N | P | S |
| Managers/Leaders | 60 | 0.3 | 52 | 60 | 0.3 | 52 |
| Employees | 130 | 0.7 | 97 | 130 | 0.7 | 97 |
| TOTAL | 190 | 1 | 149 | 190 | 1 | 149 |

**N=Population, P=Proportion, S=Sample**

## 3.5 Construction of the Instrumentation

A Check List and a Questionnaire were used to collect data on the effects of organizational leadership variables (Leadership competence, organizational culture and organizational climate) in small and medium size enterprises. The questionnaire tagged organisational leadership questionnaire (OLQ) used to collect data for the study was constructed by the researcher in consultation with her supervisor. The constructed OLQ were administered at 10 SMEs in the North West and South West regions. The questionnaire

included close ended items. The participants were told that the research was meant to find out the effects of organisational leadership on business growth. A Likert scale format of strongly agree, agree, neutral, disagree, and strongly disagree representing a 5-point response scale was used for OLQ. The managers and employees were allowed to answer the questionnaires without interference from the researcher.

### 3.5.1 *Validity of the Instrument*

Two phases were involved in the validation procedure - face and content validity.

*Face Validity*

It is the most basic level with little or nothing known about the variable being measured. It measured the appropriateness and meaningfulness of the instruments. This is based on the general theoretical standards and principles as well as the subjective judgement of the researcher Amin.[173] The researcher checked for accuracy, clarity and judged the face validity with regard to items used and their suitability in measuring the variables as they were defined. Some amendments were made by removing the irrelevant items, correcting the structure and adding relevant aspects on it.

*Content Validity*

Content validity refers to the degree to which the instrument measures what it was intended to measure. It shows the correctness and usefulness of the instrument, samples

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[173] Amin M. *Social Science Research: Conception, Methodology and Analysis,(* Kampala: Makerere University Press, 2005), 31.

knowledge, skills, perceptions and attitude that the respondents are expected to exhibit (Amin 2005). The researcher carefully reviewed the process used in developing the instruments as well as the instruments themselves. Judgements were made on how well the Check List and questionnaires represented the intended content area. We ensured that all sub areas were included and in the correct proportions.

### 3.5.2 Reliability of the Instrument

It is the degree to which the instrument consistently measures whatever it is measuring. This phase witnessed the carrying out of a pilot study. As the pilot study of a larger work sample, it was taken from the cluster of two SMEs in areas of different structural standard. Using the purposive sampling technique 2 SMEs were randomly selected from the North West and South West regions.  4 managers and 6 employees were chosen. Therefore, a total of 2 Checklists and 10 questionnaires were distributed. The total number retrieved for assessment were 2 Checklist and 10 questionnaires representing 100% returns from the total distributed. The distribution is shown in the table below.

*Table 2: Data Retrieval Statistics*

| Respondents | Distributed | | Retrieved | | % Retrieved | |
|---|---|---|---|---|---|---|
| | Checklist | Questionnaire | Checklist | Questionnaire | Checklist | Questionnaire |
| Managers | 1 | 4 | 1 | 4 | 100% | 100% |
| Employees | 1 | 6 | 1 | 6 | 100% | 100% |
| **Total** | **2** | **10** | **2** | **10** | **100%** | **100%** |

**Source: Field Survey 2021**

Reliability was ensured when the responses showed some consistency. The researcher used the test-retest method by administered 10 copies of the questionnaire to managers and employees. The responses were collected and recorded. After two weeks, the same questionnaire was administered to the same respondents. The responses were recorded. A third administration was done to the same respondents after two weeks. An evaluation of the responses registered for the three tests showed some similarity by about 95%. The researcher concluded that the responses were consistent and the instrument reliable.

*3.5.3 Administration of the Instrument*

Following the pilot study, adjustments were made and final copies were printed. The questionnaires for the managers were personally administered and collected by the researcher while those for employees were handed to the managers involved in the sample. The purpose of the study was explained to them and in turn, they explained it to the employees. They assured the researcher of confidentiality during administration. Thus, objective responses were expected from the respondents. After one month from the day of distribution, the researcher successfully recovered 98% of the copies distributed.

*Table 3: Report on Returns*

| Division | No of copies Administered | No of Copies Returned | % Returned |
|---|---|---|---|
| North West | 149 | 148 | 99% |
| South West | 149 | 145 | 97% |
| **Total** | **298** | **293** | **98%** |

**Source: Field Survey 2021**

Table 3 summarizes the number of questionnaire copies administered and returned. Out of 298 distributed, 293 copies were returned giving a return rate of 98%

## 3.6 Ethical Considerations

This study focused on the influence of organisational leadership on business growth in the Anglophone regions of Cameroon. There was neither act of dishonesty, nor deception act on the part of the researcher or research team that would expose the privacy of the research participants into ridicule. With the consent of the respondents, the questionnaires were administered. The observations were done with the consent of the authorities of the SMEs.

Before venturing out into the field, a letter from the KUKJE Theological University and Seminary, Department of Global Leadership was obtained. The letter of introduction explained and sought authorization for the researcher to be allowed to make extensive use of the SMEs available in the study regions. In the North West and South West Regional Service of Small and Medium Sized Enterprises, the researcher received a covered letter from the Regional Delegate instructing participants to comply with the researcher. The researcher was aware that managers and employees for reasons of confidentiality may be

hesitant in giving their consent.  The researcher had to assure the research participants
(through the assistance of the Divisional Services for Small and Medium Sized Enterprises
that whatever information provided through the questionnaires shall be kept strictly
confidential and they had the right to refuse to participate or excluded from the study. The
researcher collected and analysed the results without distorting them. The researcher in all
humility accepted all the shortcomings and inconveniences of the work.

*Table 4: Responses Format and Weighting*

| Type of Statement | Responses | | | | |
|---|---|---|---|---|---|
| | **Strongly Agree** | **Agree** | **Neutral** | **Disagree** | **Strongly Disagree** |
| Positive | 1 | 2 | 3 | 4 | 5 |
| Negative | 5 | 4 | 3 | 2 | 1 |

The responses to the items on the questionnaires were weighted on a five-point scale.
From the above weighting, any respondent who responded "strongly agree" to a positive
statement scored 5 points, "agree" scored 4 points, Neutral 3 points "Disagree" scored 2
points and "Strongly disagree" scored 1 point. The scoring guide was reversed for negative
statements as seen above. The total score per variable was converted on 25. Any respondent
who scored 15 and above was classified as "Good" while those who scored below 10 were
classified as "Poor" depending on the variable.

**Table 5*: Operationalization of Research Questions, Variables, Measurement scales, Statistical Technique and the Corresponding Questionnaire Items.**

| General Question | Research Questions | Independent Variable | Dependent Variable | Indicators of the Dependent Variable | Measurement Scale | Statistical Technique | Item Numbers |
|---|---|---|---|---|---|---|---|
| To what extent does Organisational Leadership influence business growth? | To what extent does leadership competence influence business growth? | **Leadership Competence**<br><br>-Knowledge<br><br>-Skills<br><br>-Attitudes | **Business growth**<br><br>Profitability | **Modalities**<br><br>-Good<br><br>-Poor | Nominal | % | **Questionnaire** 1-10 |
| | To what extent does organizational culture influence business growth? | **Organizational culture**<br><br>-Ethics<br><br>-Values | **Business growth**<br><br>Survival | **Modalities**<br><br>-Good<br><br>-Poor | Nominal | % | **Questionnaire** 1-10 |
| | To what extent does organizational climate influence business growth? | **Organizational climate**<br><br>-Relationships | **Business growth**<br><br>Continuity | **Modalities**<br><br>-Good<br><br>-Poor | Nominal | % | **Questionnaire** 1-10 |

### 3.7  Method of Data Analyses

Data collected were presented qualitatively in terms of numbers, percentages, tables and bar charts. This is however based on the fact that, these are often the most obvious and convenient way of presenting data, especially when exact individual values are important. Hence, both descriptive was considered necessary for this study because they give first-hand description of opinions and the fact that the study was relational and the data nominal. To obtain percentages the formula is:

$$\sum \quad = \quad \frac{O \times 100}{S \times Q} \text{ where,}$$

$\sum$   =   Sum of

S   =   Sample

Q   =   Number of questions

### Chapter Summary

Chapter three presented the methods and procedures used in carrying out the study.  The population and sample selected were indicated while the instruments used for data collection were identified.

# CHAPTER 4

# DATA ANALYSIS AND PRESENTATION OF FINDINGS

In this chapter, data collected from the field is presented in tables and graphs. Data is analysed using descriptive statistics.

## 4.1 Analysis of Data Using Descriptive Statistics

In analysing the data using descriptive statistics, frequency counts and simple percentages were used to:

- Present observed samples of Managers Check List on organisational leadership variables on business growth variables.

- Describe samples in relation to organisational leadership variables on business growth variables on a graph.

- Present observed samples of employee's questionnaire on organisational leadership variables (leadership competence, organisational culture and organisational climate)

- Describe samples in relation to organisational leadership variables (leadership competence, organisational culture and organisational climate) on a graph.

- Present results on responses on business growth variables (profitability, survival and continuity)

- Describe samples in relation to business growth variables (profitability, survival and continuity) on graphs.

## 4.2 Presentation and Analysis of Data Using Descriptive Statistics

**Table 6*: Presentation of Observed Samples of Managers Check List on the Influence of Organizational Leadership Variables on Business Growth Variables.**

| Organisational Leadership Variables | Business Growth Variables | | | | | |
|---|---|---|---|---|---|---|
| | Profitability | % | Survival | % | Continuity | % |
| **Leadership Competence** | | | | | | |
| North West Region | 22 | 52% | 15 | 60% | 20 | 54% |
| South West Region | 20 | 48% | 10 | 40% | 17 | 46% |
| **Mean** | **42** | **100** | **25** | **100** | **37** | **100** |
| **Organizational Culture** | | | | | | |
| North West Region | 13 | 48% | 18 | 49% | 21 | 53% |
| South West Region | 14 | 52% | 19 | 51% | 19 | 47% |
| **Mean** | **27** | **100** | **37** | **100** | **40** | **100** |
| **Organizational Climate** | | | | | | |
| North West Region | 21 | 51% | 15 | 50% | 16 | 48% |
| South West Region | 20 | 49% | 15 | 50% | 17 | 52% |
| **Mean** | **41** | **100** | **30** | **100** | **33** | **100** |

Table 1 shows the influence organizational leadership variables on business growth variables in One hundred and four (104) Small and Medium Sized Enterprises (SMEs) in the North West and South West Regions as observed from the Managers' Check List. The mean scores of the responses to the items were used to determine the degree of influence.

The calculated mean of the first variable reveals that 22 managers from the North West Region and 20 managers from the South West Region representing 52% and 48% respectively were of the opinion that competent leadership will lead to increase profitability. While 15 managers from the North West Region and 10 managers from the South West Region representing 60% and 40% respectively were of the opinion that competent leadership will lead to a better company survival chance. Again 20 managers from the North West Region and 17 managers from the South West Region representing 54% and 46% respectively were of the opinion that competent leadership will lead to continuity in business.

The calculated mean of the second variable reveals that 13 managers from the North West Region and 14 managers from the South West Region representing 48% and 42% respectively were of the opinion that organizational culture will lead to increase profitability. 18 managers from the North West Region and 19 managers from the South West Region representing 49% and 51% respectively were of the opinion that organizational culture will lead to a better company survival chance. 21 managers from the North West Region and 19 managers from the South West Region representing 53% and 47% respectively were of the opinion that organizational culture will lead to continuity in business.

The calculated mean of the third variable revealed that 20 managers from the North West Region and 21 managers from the South West Region representing 51% and 49% respectively were of the opinion that organizational climate will increase profitability. Meanwhile 15 managers from the North West Region and 15 managers from the South West Region representing 50% and 50% respectively were of the opinion that organizational climate will increase companies' survival chance. Finally, 16 managers from the North West Region and 17 managers from the South West Region representing 48% and 52% respectively were of the opinion that organizational climate will foster continuity in business

*Figure 2:* **Opinion of Managers on the Influence of Organizational Leadership on Business Growth**



Graph 1: Influence of Organizational leadership on Business Growth.

*Source: Opinion Survey of SME, NW&SW Regions (2021)*

Looking at the future of SMEs in Cameroon from the two regions observed, forty-two (42) managers believed that profitability in their organizations increased, twenty-five (25) believed that survival of their businesses were guaranteed and thirty-seven (37) believed that continuity of their businesses were ensured because of competencies they possessed as leaders. On the other hand, twenty-seven (27) managers believed that profitability in their organizations increased, thirty-seven (37) believed that survival of their businesses were guaranteed and forty (40) believed that continuity of their businesses were ensured because of their organizational cultures. Lastly, forty-one (41) managers believed that profitability in their organizations increased, thirty (30) believed that survival of their businesses were guaranteed and thirty-three (33) believed that continuity of their businesses were ensured because of the positive climate that existed in their organizations.

*Table 7:* **Presentation of Results on Responses relating to Leadership Competencies.**

| Leadership Competencies | Sample | Percentage |
|---|---|---|
| Profitability | 94 | 49% |
| Survival | 61 | 31% |
| Continuity | 39 | 20% |
| **Total** | **194** | **100%** |

As presented on the table above 49% of the respondents were of the opinion that leadership competences will lead to increased profitability, while 31% of the respondents were of the opinion that leadership competencies increased survival chances and 20% of the respondents were of the opinion that leadership competencies fostered continuity in business.

**_Figure 3_: SME's Business Growth as Influenced by Leadership Competence.**



**Chart 2: SME's Business Growth as Influenced by Leadership Competence**

20%

49%

31%

■ Profitabiity

■ Survival

■ Continuity

■
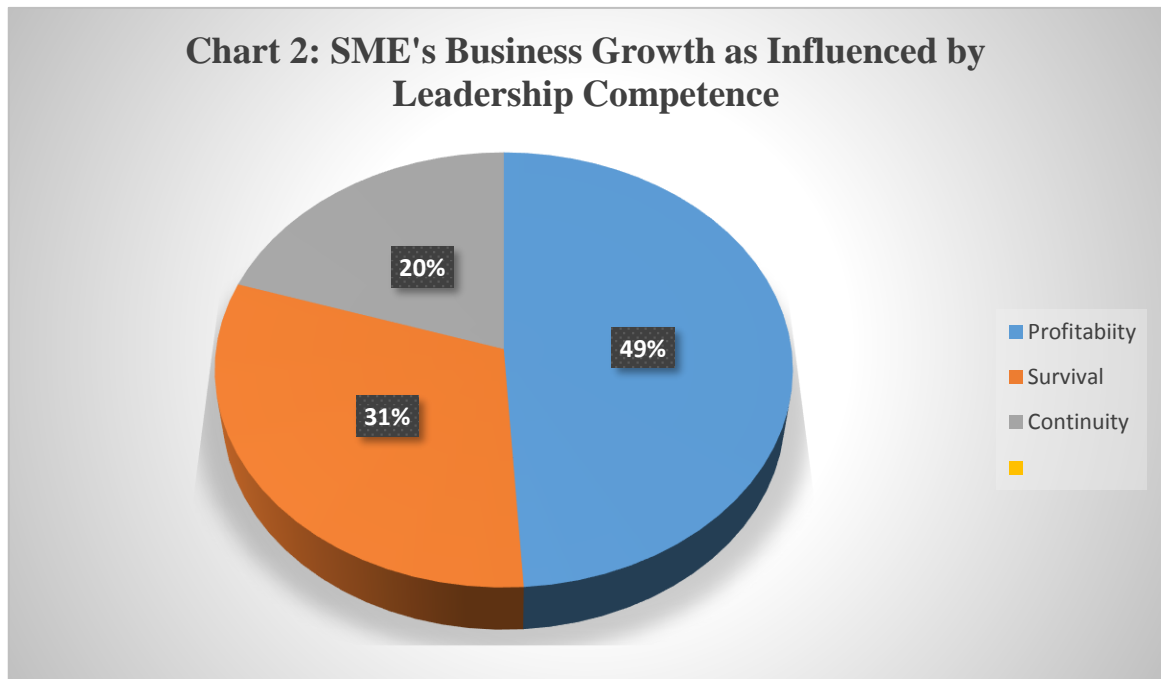
*Source: Opinion Survey of SME, NW&SW Regions (2021)*

Leadership competence, plays a key role as far as business growth is concerned. The figure above indicates that 49% of the respondents were of the opinion that leadership competence leads to increased profitability, 31% opined that it leads to higher chance of business survival and 20% for fostering continuity in business.

*Table 8:* **Presentation of Results on Responses relating to Organizational Culture.**

| Organizational Culture | Sample | Percentage |
|:---:|:---:|:---:|
| Profitability | 57 | 29% |
| Survival | 73 | 38% |
| Continuity | 64 | 33% |
| **Total** | **194** | **100%** |

The results calculated revealed that 38% of the respondents were of the opinion that an existing and well-defined organizational culture will lead to high survival chances, also 33% of the respondents were of the opinion that a well-defined and existing organisational culture will lead to continuity in business and 29% of the respondents were of the opinion that a well-defined and existing organisational culture will foster profitability in the business.

***Figure 4:*** **SME's Business Growth as Influenced by Organizational Culture.**



Chart 3: SMEs Business Growth as Influenced by Organizational Culture

- Profitability
- Survival
- Continuity

29%

38%

33%

*Source: Opinion Survey of SME, NW&SW Regions (2021)*

Considering the role of organizational culture in setting expectations on how employees behave, working together and functioning as a team, 38% of the respondents were of the opinion that it fostered business survival, 33% of the respondents were of the opinion that organizational culture encouraged business continuity and existence as a going concern. and 29% of the respondents who were of the opinion that the existence of a well-defined organizational culture increased profitability.

**Table 9: Presentation of Results on Responses relating to Organizational Climate.**

| Organizational Climate | Sample | Percentage |
|:---:|:---:|:---:|
| Profitability | 50 | 26% |
| Survival | 60 | 31% |
| Continuity | 84 | 43% |
| **Total** | **194** | **100%** |

The results calculated revealed that 43% of the respondents were of the opinion that organizational climate will lead to continuity in business, 31% were of the opinion that it will lead to high survival chances and 26% stated that it will lead to profitability in business.

**Figure 5: SME's Business Growth as Influenced by Organizational Climate.**
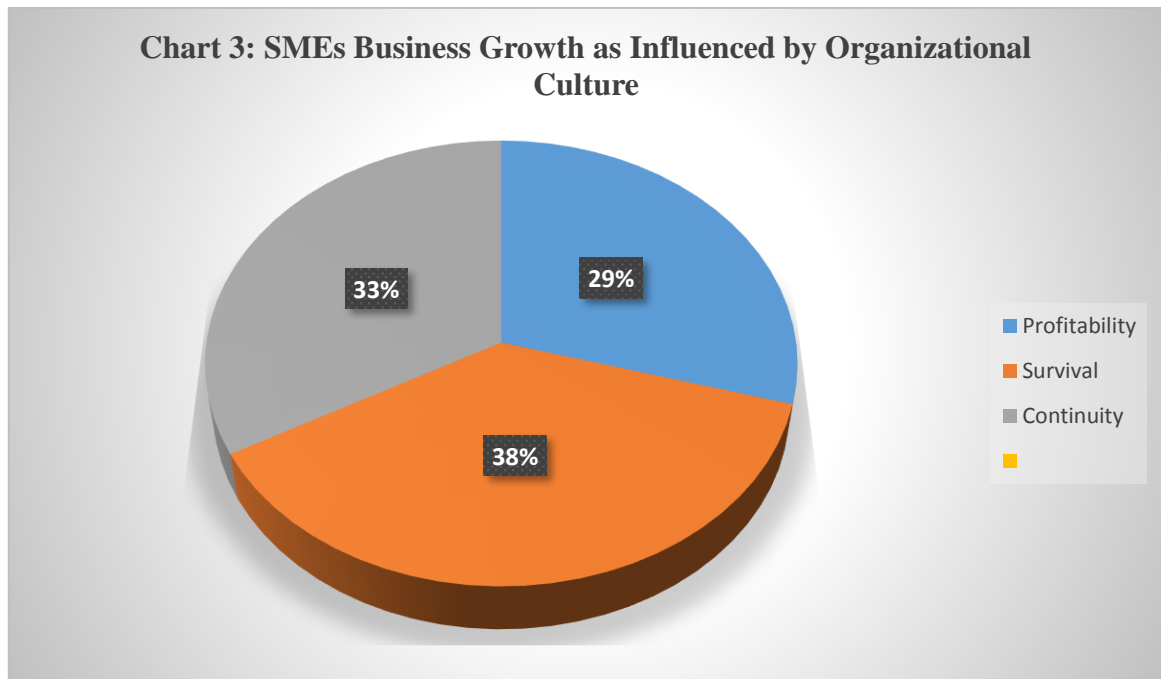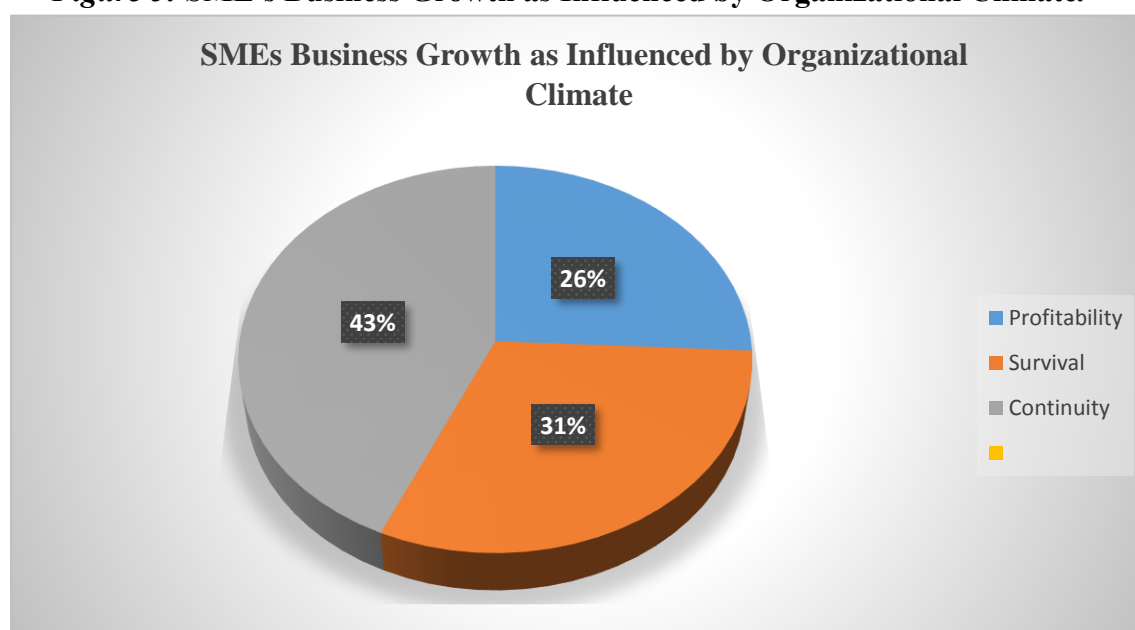


*Source: Opinion Survey of SME, NW&SW Regions (2021)*

Different responses were gotten from the survey on the influence of organizational climate on business growth. As presented on the pie chart above 43% of the respondents

where of the perception that a conducive and suitable organisational climate fosters continuity in business, while 31% of the respondents were of the perception that suitable organisational climate inhibits and enhances survival in business and finally 26% of the respondents were of the perception that a conducive and suitable organisational climate improves profitability.

*Table 10:* **Summary of Findings of Research Questions.**

| Research Questions | Sample | % | Proportion |
|---|---|---|---|
| 1 | 67 | 35% | 0.4 |
| 2 | 65 | 33% | 0.3 |
| 3 | 62 | 32% | 0.3 |

The findings reveal that the results calculated from the samples of all three research questions indicate an influence of organizational leadership on business growth. Similarly, the level of influence is interpreted from the calculated proportion. As leadership competence is seen to have a more significant influence on business growth with a percentage of 35%, while organisational culture has a 33% influence on business growth and organisational climate has a 32% influence on business growth. Overall indicating an influence of organisational leadership on business growth.

*Figure 6*: **Summary Findings of Employees Opinion on Organizational Leadership and Business Growth.**



*Source: Opinion Survey of SME, NW&SW Regions (2021)*

From the sample, percentages calculated and the proportions, the graph indicates that amongst all three variables of organizational leadership, leadership competence has a stronger influence on business growth. This is closely followed by organizational culture and lastly organizational climate.

**Chapter Summary**

This chapter dealt with the data collected from the field. Based on the fact that exact individual values were considered important for this study, data was presented in tables, graphs and charts. The data were analysed using both descriptive statistics for all three research questions of the of the study.

# CHAPTER 5

# DISCUSSION OF FINDINGS

This chapter presents discussions of findings presented in Chapter four, summarizes and draws conclusion on the entire study. Finally, it proposes recommendations based on the findings of the study.

## 5.1 Summary of the Findings

In our attempt to rationalize organizational leadership and business growth, we formulated three research questions. Percentages were used to verify the research questions. From the analysis, the results revealed that:

1. Leadership competence influences business growth.

2. Organizational culture influences business growth

3. Organizational climate influences business growth

## 5.2 Discussion of Findings

### 5.2.1 Research Question I: To what extent does leadership competence influence business growth?

The analysis of data relating to the first research question descriptively revealed that 49% of the respondents were of the opinion that leadership competence will lead to increased profitability, while 31% of the respondents were of the opinion that leadership competencies increased survival chances and 20% of the respondents were of the opinion that leadership competencies fostered continuity in business. These findings are supported by Aitken,

Higgs[174] who believed that that the main contextual factors underpinning the increasing pressures on organizations to respond to growing complexity and environmental volatility are: increasing levels of competition, investor and stakeholder demands, globalization, changing nature of the workforce, technology, legal and regulatory changes as well as societal changes? Due to these changes in the business environment, a change in the management of the enterprise is also required. Similarly, a change in the beliefs, values, life perspective, responsibilities and competencies of the leaders and managers is indispensable.

The findings are further corroborated by the functional theory of leadership which could be applied to many fields as well as in the domain of leadership competence and business growth. This theory supports the fact that functional leaders must possess adequate knowledge skills and attitudes that can enhance team leadership that will in turn promote organizational effectiveness. Their functions most often consist of organizing subordinate activities, environmental monitoring, motivating others, teaching and coaching subordinates, and participating actively in the group's work. It is commonly believed that executives of high growth companies have a higher-level of competency than those of low-performing firms.

Furthermore, this study clearly stipulates that having good leaders is not good enough; only excellence makes the difference (competent leaders). Companies with outstanding leadership teams have a high correlation with revenue growth, while those with solid business reputations but unexceptional leaders have no correlation at all. It is also worth noting that the presence of excellent leadership competence will not only boost business growth through revenue or profitability growth but also through business sustainability and continuity. Every business just like SME's hope to operate as profitable, sustainable businesses with the aim of

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[174] P. Aitken and M. Higgs, *Developing Change Leader* (Barlington, MA: Kogan Page, 2010), 637.

staying in business as a going concern. Generally, this study outlines leadership competence as one of those factors that will promote business growth in SME's. Hence, companies must accurately target their efforts to recruit and develop leaders while building true excellence in the most critical roles and competencies if these are to translate into vigorous business growth. (KotterP.John,, Leading Change: Why Transformation Efforts Fail 2007) in his study asserted that the ability to behave as a "true leader" (setting a clear vision and specific goals), can ensure the successful business growth. Competent leadership often causes employees to have increased trust, completely understand their roles and responsibilities be highly motivated and thereby, accepting the relevant changes given to them while striving for successful implementation. If a company has incompetent leaders, no matter how well defined a vision is it, cannot be achieved. Summarily, the findings of this research question revealed that the leadership competence does influence business growth. Though this showed positive results, it should however be noted that it was limited solely to leadership competence and business growth without a broad spectrum to other factors.

### 5.2.2 Research Question II: To what extent does organizational culture influence business growth?

Descriptively the findings indicated that 38% of the respondents believed that an existing and well-defined organizational culture will lead to high survival chances, also 33% of the respondents were of the opinion that a well-defined and existing organisational culture will lead to continuity in business and 29% of the respondents were of the opinion that a well-defined and existing organisational culture will foster profitability in the business. It is backed by FurnhamA., GunterB.[175] who in their study believed that organizational Culture is critical to the sustainable growth of any company. It's possible to grow with a bad culture,

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[175] A. Furnham and B. Gunter, *Corporate Assessment* (London: Routledge, 1993), 5.

but those looking for sustainable, long-lasting growth need a consistently good culture.

Strong cultures require a high degree of trust both among employees and in the company

leadership and that's critical to longevity and growth. Low-trust cultures typically have

disengaged workers as well as higher operating costs that come from an inability to move

definitively and efficiently in response to changes in the market or to new company

initiatives. Those higher operating costs impede growth. Culture shapes attitudes and

behaviours in wide-ranging and tangible ways. Company leadership needs to lay the

foundation and occasionally take the temperature to see if it's where it should be. It's more

than just putting up a poster in break room. It's living it every day, tracking employee

behaviours and correcting when necessary. And that's critically important because culture

drives behaviour and behaviour drives results. Also (BjörnNordics, 2018)  in his study

developed a linkage between organizational culture and firm profitability. The construction of

the list of profit enhancing organizational values was based on a data set of ca. 4.000 value

statements espoused by ca. 150 organizations in Europe.CameronKims, QuinnE,[176] opined

that effective organizations are influenced by culture. Some components of culture include

symbols, the unique language, ethnocentric feelings and rules. An organization's culture is

reflected by what is valued, language and symbols, the dominant leadership styles procedures

and routines. Culture has a powerful effect on the performance, growth and long-term

effectiveness or organizations. Empirical research has demonstrated the importance of culture

in enhancing organizational performance. This point of view is backed by the behavioral and

style theories which describes how a leader clearly and accurately communicates with the

followers, defines goals, and determines how tasks are performed. Such practices will lead to

effective business growth. It is therefore important that there exist a well-structured and

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[176] Cameron, Kims, and E. Robert Quinn. *Diagnosing A Changing Organizational Culture.* (Hoboken NJ: Jossey-Bass, 2000), 26.

defined culture which encompasses the vision, mission and routine day to day guidelines on the running of the company's operations. From the findings of this research question, the study revealed that the organisational culture does influence business growth.

### *5.2.3 Research Question III: To what extent does organizational climate influence business growth?*

The descriptive analysis of the third research question showed that 43% of the respondents were of the opinion that organizational climate will lead to continuity in business, 31% were of the opinion that it will lead to high survival chances and 26% stated that it will lead to profitability in business. These findings are supported by CastroM., MartinsN.,[177] who believed employees' behavior, motivation, engagement and outcomes, increases productivity, job satisfaction and performance. Organizational performance, leadership behavior, managerial and organizational effectiveness also decreases problems where a positive climate does not exist. In small and medium-sized organizations, leadership behavior is more personal as it is the case in large organizations. (JonesO., CromptonH 2009)[178] ascertained that good organizational climate leads to higher employee productivity, commitment, satisfaction and better human relations. RožmanM., TomincP., MilfelnerB [179] in their study found out that in organizations where the climate is negative, stress situation will be common amongst employees. On the one hand, stress has a strong and negative impact on employee relationships and also a negative impact on employee satisfaction in medium-sized

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[177] M. L. Castro and N. Martins, "The Relationship between Organisational Climate and Employee Satisfaction in a South African Information and Technology Organisation," *Journal of Industrial Psychology* 36, no. 1 (2010): 7.

[178] O. Jones and H. Crompton, "Enterprise Logic and Small firms: A model of Authentic Entrepreneurial Leadership," J*ournal of Strategy and Management* 2, no. 4 (2009): 342.

[179] Maja Rožman, P. Tominc, and B. Milfelner, "A Comparative Study Using Two SEM Techniques on Different Samples Sizes for Determining Factors of Older Employee's Motivation and Satisfaction," *Sustainability* 12, no. 6 (2020): 2117.

organizations. On the other hand, healthy employee relationships have a strong and positive impact on satisfaction and a positive impact on employee motivation in medium-sized organizations.

**Chapter Summary**

From the interpretations of the findings in this chapter it could be seen that organizational leadership influences business growth of SME's as represented by the variables; leadership competence, organizational culture and organizational climate.

# CHAPTER 6

# CONCLUSION

## 6.1 Conclusion

Organizational leadership plays a vital role in the performance and growth of any organisation or institution. The availability of a well-defined, structured and communicative leadership system helps in easily communicating the company's vision, mission and goals and provides room for a more communicative flow of information between management and employees. For leading requires followers and for a business to operate, succeed and grow it needs the employees to put in the work to achieve results. Competent leadership, a well-structured organisation culture and a conducive organisational climate are all vital factors to achieving business growth. Every business or organisation exist with a hope of operating as a going-concern, that is to operate and exist for a long period of time (continuity). Organisations also expect that while operating as a going concern they should be able to survive in the harsh and competitive business environment, while being profitable. This study sought to examine organisational leadership as a tool for business growth; the case of small and medium size enterprises that imply the significance of organizational leadership for the Cameroonian society? The following research objectives were formulated to guide the study:

- To find out whether leadership competence influences business growth.

- To find out whether organisational culture influences business growth

- To find out whether organisational climate influences business growth

The research questions and hypothesis were formulated based on these objectives. Literature was reviewed conceptually, theoretically and empirically. Theoretically this study made use of three theories; behavioural and style theory, functional leadership theory and

situational and contingency theory. The study employs a positivist view and a cross-sectional analysis to explore the topic the influence of organisational leadership on business growth. Descriptive research of the survey design was also used in the study. The non-probability sampling techniques was used. The purposive sampling technique was used to select the respondents. A checklist for managers and questionnaires for employees were developed and administered. This study had a sample size of 298 respondents consisting of 104 leaders (managerial position holders) and 194 employees from 10 SMEs in the North West and South West regions. Data collected was analysed using descriptive statistics. The findings revealed thus:

- Leadership competence influences business growth.

- Organizational culture influences business growth

- Organizational climate influences business growth.

Organisational leadership aims at influencing the growth of businesses by helping achieve continuity, profitability and survival through the existence of competent leadership, well defined organisational culture and a conducive organisational climate, it becomes incumbent on small and medium size enterprises to adopt the above competencies.

### 6.2 Recommendations

In the light of the foregoing discussion and based on findings obtained from this study, the following recommendations were made to address organisational leadership within the Cameroonian business environment.

***Leadership Competence:***

SMEs should recruit and train qualified personnel that is those competent enough to manage the roles allocated to them, establish subcontracting relationships with other companies, use new technologies and other business innovation, organize active prospections to find buyers and sales agents. All of these is aimed at fostering growth while achieving profitability.

***Organisational Culture:***

Business organizations should embrace transparency, recognize and reward valuable contributions, contribute strong coworker relationships, embrace and inspire employee autonomy, practice flexibility, communicate purpose and passion, promote a team atmosphere as well as giving and soliciting regular feedback.  SME's have to invest in capacity building: to be competitive, SMEs nowadays have to meet the standards of production, processing and marketing. They must also be in control of the constraints related to their societal responsibilities. They must be trained on compliance with technical itineraries of production, market standards, procurement standards, sales techniques.

***Organisational Climate***

Governments should identify and evaluate the current climate of SME's, raise awareness of the organization's mission, identify motivational factors, improve understanding of task delegation and boost team cooperation. A conducive working environment will motivate employees and will boost productivity. An increase in productivity will foster survival, increase profitability. To improve the business climate in Cameroon, more incentives should be made to SME's promotion, prevention/protection of the market from dumping and unfair competition, upgrading of infrastructural facilities and creation of conditions for SME's

development, instauration of reasonably norms and regulations to enable SME's growth, establishment of a legal, regulatory and administrative framework conducive to the development of SMEs, Also to upgrade infrastructural facilities in order to align with international standard. This will not only help businesses to grow and flourish, but will also make Cameroon, a destination for international investors and foreign direct investment.

Coping with the demands of this study were cumbersome for the researcher. She was therefore confronted with the following problems during the research process:

- The socio-political crisis in the North west and South west region of Cameroon hindered the timely collection of data.

- Non-cooperation of some respondents reduced the number of anticipated respondents and documents to be observed.

- Limited literature in Cameroon on issues of organisational leadership and business growth.

Rresearchers who wish to address organizational leadership issues in the future can work on the following topics:

- The influence of organisational leadership on the financial performance of Small and Medium Sized Enterprises.

- Organizational climate and its effect on employee performance while affecting growth in small and medium size enterprises.

This chapter dealt with conclusion, recommendations, limitations of the study and suggestions for further research.

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# APPENDIXES

**1. Letter to Validation Panel**

**2. Table for Determining Sample Size for a Finite Population**

**3. Questionnaire**

**4. Managers Checklist**

# Appendix 1: Letter to Validation Panel

Dear

Greetings from Seoul, Korea!

I am a student of a Ph.D. program in the Global Leadership Department, Kukje Theological University and Seminary, located in Seoul, South Korea. I am writing a dissertation with the title, "ORGANIZATIONAL LEADERSHIP AS A TOOL FOR BUSINESS GROWTH. THE CASE OF SMALL AND MEDIUM SIZED ENTERPRISES (SMEs)IN CAMEROON." This research will investigate if organisational leadership influences business growth from the perspective of profitability, survival and continuity. Generally, the study sought to examine whether leadership in organizations influence business growth in small and medium sized enterprises in Cameroon.

Your role in evaluating the reliability and validity of my instrument is valuable. Reliability refers to the accuracy, consistency, and stability of measuring instruments. Validity speaks of the instrument's capacity to disclose specific relationship of organizational leadership on business growth of small and medium sized enterprises. Your endorsement and support will help obtain the information needed for my study.

Thank you very much for your significant contribution and assistance.

Sincerely yours,

Ngemukung Vanessa Joyclyn Tanyie

Doctoral Student

Kukje Theological University and Seminary

## Appendix 2: Table for Determining Sample Size

## for a Finite Population

| $N$ | $S$ | $N$ | $S$ | $N$ | $S$ |
|-----|-----|-----|-----|-----|-----|
| 10 | 10 | 220 | 140 | 1200 | 291 |
| 15 | 14 | 230 | 144 | 1300 | 297 |
| 20 | 19 | 240 | 148 | 1400 | 302 |
| 25 | 24 | 250 | 152 | 1500 | 306 |
| 30 | 28 | 260 | 155 | 1600 | 310 |
| 35 | 32 | 270 | 159 | 1700 | 313 |
| 40 | 36 | 280 | 162 | 1800 | 317 |
| 45 | 40 | 290 | 165 | 1900 | 320 |
| 50 | 44 | 300 | 169 | 2000 | 322 |
| 55 | 48 | 320 | 175 | 2200 | 327 |
| 60 | 52 | 340 | 181 | 2400 | 331 |
| 65 | 56 | 360 | 186 | 2600 | 335 |
| 70 | 59 | 380 | 191 | 2800 | 338 |
| 75 | 63 | 400 | 196 | 3000 | 341 |
| 80 | 66 | 420 | 201 | 3500 | 346 |
| 85 | 70 | 440 | 205 | 4000 | 351 |
| 90 | 73 | 460 | 210 | 4500 | 354 |
| 95 | 76 | 480 | 214 | 5000 | 357 |
| 100 | 80 | 500 | 217 | 6000 | 361 |
| 110 | 86 | 550 | 226 | 7000 | 364 |
| 120 | 92 | 600 | 234 | 8000 | 367 |
| 130 | 97 | 650 | 242 | 9000 | 368 |
| 140 | 103 | 700 | 248 | 10000 | 370 |
| 150 | 108 | 750 | 254 | 15000 | 375 |
| 160 | 113 | 800 | 260 | 20000 | 377 |
| 170 | 118 | 850 | 265 | 30000 | 379 |
| 180 | 123 | 900 | 269 | 40000 | 380 |
| 190 | 127 | 950 | 274 | 50000 | 381 |
| 200 | 132 | 1000 | 278 | 75000 | 382 |
| 210 | 136 | 1100 | 285 | 1000000 | 384 |

Note.—$N$ is population size.    $S$ is sample size.

Source: Krejcie & Morgan, 1970

# Appendix 3: Questionnaire

**TOPIC:** *ORGANISATIONAL LEADERSHIP AS A TOOL FOR BUSINESS GROWTH*

**THE CASE OF:** *SMALL AND MEDIUM SIZE ENTERPRISES (SMEs) CAMEROON*.

**INSTRUCTIONS:** Please complete this form and return it to the researcher. There is no right or wrong answer, just state how you feel about each item.

### A. Demographic items: (Tick one response from each item).

Sex: Male _____ Female: _____

Nationality: _____

Organisational Position: _____

Length of Service with current Organisation: _____

### B. State how you feel about each item. Please select your opinion on the following scale: SA= Strongly Agree; A=Agree; N= Neutral; D=Disagree; SD=Strongly Disagree

| Leadership Competence | | | | | |
|---|---|---|---|---|---|
| **As a leader I feel** | | | | | |
| My organisational position influences how I perform and lead. | SA | A | N | D | SD |
| The company has a clear set of values, which guides decision-making across the organization | SA | A | N | D | SD |
| The company values, objectives and mission are well understood by employees. | SA | A | N | D | SD |
| Managers are evaluated based on the engagement levels of their employees. | SA | A | N | D | SD |
| My employees learn and are influenced by my leadership skills to improve their individual growth and organisational behaviour. | SA | A | N | D | SD |
| The organization communicates the actions it takes based on employee feedback. | SA | A | N | D | SD |
| Employee grievances and problem solving are well addressed smoothly and efficiently | SA | A | N | D | SD |
| There is room for growth in the organisation. | SA | A | N | D | SD |
| There are one on one training in the organisation to improve employee performance and growth. | SA | A | N | D | SD |
| There is delegation of authority in my organisation. | SA | A | N | D | SD |
| The leadership in the organisation is generally considered to exemplify coordinating, organising and smooth-running efficiency. | SA | A | N | D | SD |

| Organisational Culture | | | | | |
|---|---|---|---|---|---|
| **In my Opinion** | | | | | |
| Individual performance is encouraged and rewarded. | SA | A | N | D | SD |
| Team performance is encouraged and rewarded. | SA | A | N | D | SD |
| I can arrange my workplace as per my comfort. | SA | A | N | D | SD |
| The organisation emphasises human development, high trust, openness and participation. | SA | A | N | D | SD |
| The organisation defines success on the basis of the development of human resources, teamwork employee commitment and concern for people. | SA | A | N | D | SD |
| We share a common goal. | SA | A | N | D | SD |
| Communication from management is clear, transparent and frequent. | SA | A | N | D | SD |
| Significant time is spent planning and thinking things through before acting. | SA | A | N | D | SD |
| Employees are encouraged to try new ideas and take risks to improve the business. | SA | A | N | D | SD |
| Teams and departments compete internally to provide the best service or value | SA | A | N | D | SD |

| Organisational Climate | | | | | |
|---|---|---|---|---|---|
| **I believe that** | | | | | |
| My workplace is pleasant. | SA | A | N | D | SD |
| Management encourages me when I have problems so that I can solve them. | SA | A | N | D | SD |
| Management takes interest in employee work problems. | SA | A | N | D | SD |
| The goals of my work are clearly defined | SA | A | N | D | SD |
| In my job, innovative contributions are appreciated. | SA | A | N | D | SD |
| The working environment in the organization is friendly and conducive. | SA | A | N | D | SD |
| People in the organization get along. | SA | A | N | D | SD |
| The organisation inspires the very best in employees in the way of job performance. | SA | A | N | D | SD |
| The reasons for the decisions made are usually adequately explained. | SA | A | N | D | SD |
| The infrastructure for work is adequate (equipment, furniture). | SA | A | N | D | SD |
| The infrastructure for convenience and comfort are adequate (Hygiene, Cafeteria). | SA | A | N | D | SD |

# Appendix 4: Managers Checklist

**Organizational Leadership and Business Growth – Managers' Checklist.**

Please take a few minutes to review this list and rank your interest in learning more about the following variables. Represent your response with a thick √:

| | | Would you like to improve your? | No, understand already | Yes, need to learn somewhat | Yes, really need to learn more | Would you like to improve your … |
|---|---|---|---|---|---|---|
| **LEADERSHIP COMPPETENCE** | 1 | Knowledge of basic leadership skills and attitudes? | | | | |
| | 2 | Ability to identify different types of leaders and leadership situations? | | | | |
| | 3 | Ability to define the basic principles of leadership? | | | | |
| | 4 | Knowledge of real-world ethics and values affecting leaders? | | | | |
| | 5 | Understanding about your personal motivation to lead? | | | | |

| | | | | | |
|---|---|---|---|---|---|
| | 6 | Ability to establish clear personal goals to guide your actions? | | | |
| | 7 | Ability to schedule and keep track of time? | | | |
| | 8 | Ability to identify priorities and avoid wasting time? | | | |
| | 9 | Knowledge about planning for yourself and your projects? | | | |
| | 10 | Understanding about how leaders can influence change within a group? | | | |

| | | **Would you like to improve your?** | **No, understand already** | **Yes, need to learn somewhat** | **Yes, really need to learn more** | **Would you like to improve your …** |
|---|---|---|---|---|---|---|
| **ORGANISATIONAL CULTURE** | 11 | Knowledge of how to respect individual and cultural diversity. | | | | |
| | 12 | Knowledge of basic manners and why manners matter. | | | | |
| | 13 | Ability of how to keep your principles in mind when making decisions. | | | | |
| | 14 | Feeling that learning and development are encouraged. | | | | |
| | 15 | Feeling that you have autonomy in your position | | | | |
| | 16 | Feeling that the company's communication is clear and transparent. | | | | |
| | 17 | Knowledge of how to respect individual and | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | cultural diversity. | | | | |
| | 18 | Feeling that you and your fellow employees are valued? | | | | |
| | 19 | Feeling that policies are uniformly enforced? | | | | |
| | 20 | Feeling that leaders practice what they preach. | | | | |

| | | Would you like to improve your? | No, understand already | Yes, need to learn somewhat | Yes, really need to learn more | Would you like to improve your … |
|---|---|---|---|---|---|---|
| **ORGANISATIONAL CLIMATE** | 21 | Ability to help people to mingle and get to know each other. | | | | |
| | 22 | Understanding of different types of teams and how they work together? | | | | |
| | 23 | Skills at getting people to work together as a team? | | | | |
| | 24 | Ability to build trust among your group? | | | | |
| | 25 | Understanding of how having a job to do helps people feel included? | | | | |
| | 26 | Ability as a leader to help people feel needed and part of the group? | | | | |
| | 27 | Understanding of ways to acknowledge the contributions of others? | | | | |

| | 28 | Ability to build consensus among the group? | | | | |
|---|---|---|---|---|---|---|
| | 29 | Knowledge of effective techniques for conflict resolution? | | | | |
| | 30 | Understanding about the cooperative process of resolving disagreements? | | | | |