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RESEARCH ARTICLE

LEADERSHIP EFFECTIVENESS AND COMPETENCIES OF MANAGEMENT COMMITTEE OF CONSUMER COOPERATIVE SOCIETIES IN HAWASSA CITY, SNNPR, ETHIOPIA

*Bewketu Belay Hailemariam

Department of Cooperatives, College of Business and Economics, Hawassa University, Ethiopia

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ABSTRACT

Effective cooperative leaders matters to the overall performance and well-being of cooperatives. Management committees are members elected by the general assembly to supervise and control the overall business and affairs of cooperatives. Thus, success of any cooperative is determined by the functioning of management committees. The major concern of this study is to measure the leadership effectiveness and competencies of management committees of consumer cooperatives in the study area. For this study, primary data has collected from 263 respondents (i.e. 200 members and 63 management committees from selected 12-consumer cooperatives. Descriptive statistics such as mean, frequency and percentages were used for analyzing the data. For measuring the leadership effectiveness of management committees, 31 statements classified under four major indicators considered. The Leadership Effectiveness measured based on members' perception by using five point Likert scale and the mean score was calculated. The results indicate that management committees of cooperatives were not effective in leading others, leading self, strategic leadership and task management of cooperatives. Regarding leadership competencies, only few cooperative leaders have high experience in leadership and high interest in their leadership; most leaders' lacks knowledge about cooperation and management. In addition, majority of leaders have better human skills, though they lack conceptual skills and technical skills. Therefore, to improve the leadership effectiveness and competencies of cooperative leaders, leadership training and development programs should be arranged by stakeholders.

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INTRODUCTION

A consumer cooperative society is an association of persons whose aim is to economize by buying in common and retain their profits by selling in common. FCA (2012) reports that in Ethiopia, there are 1,494 primary consumer cooperatives consisting of 426,929 individual members with a capital of 157,468,203 Birr and there are 18-consumer cooperative unions, comprising of 7,668-member primary Cooperatives. In Hawassa city, there are 77 consumer cooperatives providing service to members and non-members, as reported previously by HCAMCO (2012). Some of the services provided by them to the consumers were retailing of consumer goods such as sugar, food oil, wheat, maize, soap, etc. The consumer cooperatives established mainly to stabilize the market and supply consumable goods at fair prices for members and other consumers.

*Corresponding author: Bewketu Belay Hailemariam,
Department of Cooperatives, College of Business and Economics,
Hawassa University, Ethiopia.

They were playing a great role in reducing the shortage of consumer goods and in reducing the price by minimizing the market channel by creating a direct market linkage between producers and suppliers. Even though they were playing a great role, most of the cooperatives in Ethiopia were not strong. One of the great challenges that hinder cooperative's success is the absence of effective cooperative leaders. Some of the reasons for their ineffectiveness include shortage of training access, low level of participation among leaders, poor management, lack of knowledge about cooperative values and principles, wrong timing of meetings, lack of business skills, etc (Awol, 2012). Good and effective cooperative leaders matter to the overall performance and well-being of the cooperative societies and its members; they also matter to other stakeholders of the cooperatives, such as the customers and the society (Ali, 2009). Central to the success or failure of any cooperative is a functioning of the Board of Directors that represents all of the cooperative members (Cropp, 2005). Therefore, to achieve the objectives of cooperatives needs to have strong management committee. Hence, the present study aimed to measure the leadership effectiveness and

competencies of the management committee of consumer cooperatives in Hawassa city, SNNPR, Ethiopia.

METHODOLOGY

The total population of the study includes members and leaders of consumer cooperatives in Hawassa City. In this study, a multi-stage sampling procedure was employed to select individual members from cooperatives. In the first stage, by employing purposive sampling method Hawassa City were selected by considering the potential and availability of large number of consumer cooperatives in the city. In the city there are 77 primary consumer cooperatives consisting of 11,765 individual members. The investigator had drawn 200 sample size out of 11,765 total population by using the sample size determination method developed by Carvalho (1984). In the second stage, out of the total (77) primary consumer cooperatives, twelve cooperatives were selected by using simple random sampling and in the third stage sample size is allocated to sample cooperatives proportionally. The table 1 indicates the sample cooperatives, members and the sample population. Finally, representative sample for each cooperative was selected through simple random sampling technique by using lottery method.

In addition, all management committees of sample cooperatives were considered for questionnaire purpose to collect data about their leadership competencies. The primary data were collected through structured questionnaire and key informant interview. The questionnaire comprised of close-ended and open-ended questions to understand the leadership effectiveness and competencies of management committees. For measuring the leadership effectiveness of management committee through the perception of members, 31 items were included. From this, some items taken from MLQ, developed by Bass and Avalio (1995) and some from EDLBI prepared by Stanley (2004) and modified in the context of the present study. Other statements set by considering the role, duties and responsibilities of cooperative leaders. MLQ is an instrument developed by Bass and Avalio (1995) for measuring the leadership effectiveness. The secondary data were also gathered from the cooperative office manuals, documents and reports. Following the completion of the data collection, the data were coded and entered into the SPSS version 20 computer program for analysis. The data were analyzed using both descriptive statistical methods such as mean, percentage and frequencies were used and presented in the form of tables. The qualitative information such as opinions and suggestions were analyzed in the form of discussions.

RESULTS AND DISCUSSION

In this section, the findings from the analysis of leadership effectiveness and competencies of management committee has presented and discussed. The section is comprised of two subsections. In the first sub section, the leadership effectiveness is presented. The second sub section is about the leadership competencies of management committees. For the purpose of analysis, 63 respondents drawn from the management committees and 200 members considered.

Leadership Effectiveness of Management Committees: Effectiveness was assessed by constructing indicators such as leading others, leading self, strategic focus and task management performed by the leaders.

Such grouping has taken from literatures such as reported Nathan (2010) and classification of each statement done based on their nature. Members were asked to judge the extent to which their leaders engaged in specific behaviors measured by 5-point Likert scale and the items are rated as 0='not at all', 1='once in a while', 2='sometimes', 3='fairly often', 4='frequently' (Bass and Avalio, 1995). High score shows high effectiveness while a low score implies low effectiveness perception in the scale. This study also made use of mean score in order to measure the leader's effectiveness.

Leading Others: Leading others addresses the extent to which cooperative leaders' inspires others perform their duties and responsibilities and based on nine statements the result presented in the table 1. As shown from table 2 the average mean score is 1.43, which is a little bit higher than 'once in a while'. Therefore, we can generalize the management committees were not effective in leading others or members of cooperatives.

Leading Self: This indicator addresses the extent to which leaders of the cooperative were open to personal development, ability to make sound decisions with confidence, and are forward-looking. To measure the committee's effectiveness in leading self, eight statements used & the result presented in table 2. As shown from Table 3 the average mean score is 1.58. Thus, we may conclude that the management committees were not effective in leading self.

Strategic Focus: Strategic focus addresses leader's effectiveness in maximizing organization's current and potential level of success. For assessing the leader effectiveness in strategic focus, seven statements were included and the response summarized in table 4. The result presents that, the mean score is 1.43 which implies management committee's effectiveness in strategic focus is found in between 'once in a while' and 'sometimes'. Therefore, the result shows they were not effective in strategic focus.

Task Management: The task management indicator deals with directing the efforts of others. For measuring the leaders' effectiveness in managing task, the seven statements were included. The and the result presented in table 5 shows a mean score is 1.58, which indicates, cooperative leaders were not effective in working for the benefit of whole members rather than for themselves.

Summary of overall leadership effectiveness: After the leadership effectiveness in each indicator measured, the overall effectiveness is determined by taking the average mean score of four indicators. The overall mean is 1.5 which is found in between 'once in a while' and 'sometimes'. The benchmark of leader effectiveness used for transformational leadership is a mean score of three and above as effective and otherwise ineffective (Bass and Avalio, 1995). Therefore the average mean score 1.5, confirmed that management committees' in the study area are not effective.

Leadership Competencies of Management Committees: Leadership in cooperatives requires certain competencies to accomplish the vision and goal effectively. For this study, five leadership competencies believed necessary to effectively lead cooperatives i.e. leadership experience, knowledge on cooperation, knowledge on management, interest or motivation in leadership and leadership skills were considered.

Table 1 Proportional allocation of sample size

S.N.	Selected Consumer Cooperatives	Total members	Sample size
1	Tigist fire	61	4
2	Tesfa Kefit	235	16
3	Andenet	676	45
4	Medanialem	358	24
5	Harer	500	33
6	Nuhamin	85	5
7	Hawassa University Health Science College	140	9
8	Alamura	279	19
9	Kilil Timrt Bureau	54	4
10	Selam Berr	487	32
11	Deto Adehe Chebecho	28	2
12	Ayer Meda	70	7
	Total	2973	200

Source: HCAMCO, 2012

Table 2. Respondents' assessment of their Leaders' Effectiveness in Leading Others

Attributes	Not at all	Once in a while	Sometimes	Fairly often	Frequently	Total	Mean
Ratings	0	1	2	3	4		
Motivate members to participate actively	48	83	46	15	8	200	1.26
Get people involved in decisions	29	85	59	14	13	200	1.49
Fosters collaboration on common goals	42	72	58	18	10	200	1.41
Creates in members a sense of ownership	37	85	49	13	16	200	1.43
Encourage the public to be a member	36	91	49	13	11	200	1.36
Effectively communicating the goal and objectives of the cooperative	40	77	58	17	08	200	1.38
Receive feedback regarding their functioning, strength and weaknesses	54	79	45	14	08	200	1.22
Communicates in a respectful manner	25	59	70	37	09	200	1.73
Become an example for others	27	69	72	22	10	200	1.6
Total							1.43

Source: Survey result, 2013

Table 3. Respondents' assessment of their Leaders' Effectiveness in Leading Self

Attributes	Not at all	Once in a while	Sometimes	Fairly often	Frequently	Total	Mean
Ratings	0	1	2	3	4		
Expresses enthusiasm for the vision & objectives of cooperative	57	70	45	20	08	200	1.26
Self confidence in expressing their ideas clearly	26	76	60	27	11	200	1.61
Being courageous, taking appropriate risks	30	91	54	13	12	200	1.43
Commitment to work	29	96	52	12	11	200	1.4
Cooperation among the committee members	37	57	66	31	09	200	1.59
Honesty	25	55	64	46	10	200	1.81
Learning from mistakes and developing better approach	22	78	63	29	08	200	1.62
Prevent corruption practices	21	55	50	58	16	200	1.97
Total							1.58

Source: Survey result, 2013

Table 4. Respondents' assessment of their Leaders' Effectiveness in Strategic Focus

Attributes	Not at all	Once in a while	Sometimes	Fairly often	Frequently	Total	Mean
Ratings	0	1	2	3	4		
Setting clear objectives and achieved	65	74	51	12	07	200	1.2
Foresight opportunities and threats of their cooperative	52	98	26	18	06	200	1.14
Achieve a high level of customers satisfaction	31	75	67	20	07	200	1.49
Views business process from view point of ultimate customers	19	70	58	39	14	200	1.8
Regularly solicits input from customers	27	104	39	26	04	200	1.38
Brings quality goods and services	17	65	76	34	08	200	1.76
Recognizes and supports new ideas	48	80	48	13	11	200	1.28
Total							1.43

Source: Survey result, 2013

Table 5. Respondents' assessment of Leaders' Effectiveness in Task Management

Attributes	Not at all	Once in a while	Sometimes	Fairly often	Frequently	Total	Mean
Ratings	0	1	2	3	4		
Managing the human and financial resources	20	78	76	17	09	200	1.59
Solving problems of members effectively	18	84	72	18	08	200	1.57
Making sound decisions in the cooperative	22	69	78	22	09	200	1.64
Conflict resolution and negotiation	21	70	73	28	08	200	1.66
Applying cooperative values and principles	35	85	53	19	08	200	1.4
Leading meetings that use time well and meet goals	39	77	56	20	08	200	1.41
Working for benefit of members rather than benefit of themselves	18	67	64	39	12	200	1.8
Total							1.58

Source: Survey result, 2013

Table 6. Respondents' Experience in Leadership Position

Leadership experience	Frequency	Percentage
<3 years	29	46.0
3-6 years	18	28.6
>6 years	16	25.4
Total	63	100

Source: Survey result, 2013

Table 7. Level of Knowledge on Cooperation, management and interest in their leadership

Items	Low	Medium	High	Total
Knowledge of cooperation	31 (49.2)	16 (25.4)	16 (25.4)	63 (100)
Knowledge of management	29 (46.0)	20 (31.7)	14 (22.2)	63 (100)
Level of interest in their current leadership	08 (12.7)	37 (58.7)	18 (28.6)	63 (100)

Source: Survey result, 2013

Note: Figure on the parenthesis denotes percentage

Table 8. Assessment of Management Committees Leadership Skills

Skills	Item	Low	Medium	High	Total
Human Skills	Ability to motivate others	15.9	36.5	47.6	100
	Ability to work with others in a reflexive manner	13	27	52.4	100
	Conflict resolution skill	15.9	33.3	50.8	100
	Team skill, both from the perspective of being a good follower and good leader	17.5	31.7	50.8	100
	Ability to communicate the goals, visions and other activities to members	22.2	31.7	46.0	100
Conceptual Skills	Ability to motivate others	15.9	36.5	47.6	100
	Ability to be creative to generate new ideas, new methods or solutions to problems	23.8	41.3	34.9	100
	Ability to set vision, plans and achieve	25.4	38.1	36.5	100
	Ability to solve problems	14.3	44.4	41.3	100
	Stress management	17.5	44.4	38.1	100
	Time management	20.6	38.1	41.3	100
Technical Skills	Self- confidence	17.5	22.2	60.3	100
	Ability to understand financial matters	31.7	28.6	39.7	100
	Computer and internet skill	44.4	19	36.5	100
	Ability to prepare budget plans	28.6	39.7	31.7	100

Source: Survey result, 2013; Note: Figures denotes percentage

These competence criteria have developed from different reviews of literatures and discussion with stakeholders and experts. The assessment examined based on the view of 63 management committees.

Leadership Experience: Table 6 presents the management committee members' previous experience in leadership positions (in cooperative or any other organization). As depicted in table 6, the majority of the cooperative leaders has

low level of experience in leadership, which may also affect the performance of cooperatives.

Knowledge of Cooperation, Knowledge of management & Level of interest: In order to manage cooperatives successfully, knowledge of cooperation and management is required. Management committee interest in their position is also very crucial element for undertaking any activity effectively. Table 7 illustrates the management committee's knowledge level about cooperation, management and interest

in their current leadership. The survey result indicates the majority of cooperative leaders lack knowledge about cooperation and management. It also shows that only few management committee members were highly interested in their position. If it continues like this, the future of cooperatives will be in question.

Leadership Skills: One of the components of leadership competencies is leadership skills. To measure the leadership skill competencies of management committees, 14 skill sets have selected and included from different reviews of literatures and discussion with stakeholders and experts. These competencies grouped into three as human skill, conceptual skill and technical skill. Human skills are the ability to work cooperatively with others, to motivate others, to communicate effectively, to resolve conflict. Conceptual skill is the ability to visualize the organization as a whole. One of the important factors that led to leadership failure was a lack of technical skills like proper understanding of financial transactions. Leader's level of leadership skills presented in table 8. Concerning the leadership skills, table seven shows most of the leaders have better of human skill but lacks conceptual and technical skills.

Conclusion and Recommendation

Based on the results obtained from the findings of the study, the following conclusions are drawn: The study indicated that the management committees were not effective in leading the cooperatives in four dimensions i.e. leading others, leading self, strategic focus and task management as perceived by members. Regarding the degree of leaders' competencies information obtained from the respondents shows that majority of leaders have less experience in leadership positions; most of them have no adequate knowledge of cooperation and management and most committees lack interest in their leadership position. Moreover, the other competency assessed was the leadership skills and, the survey shows most leaders lacks conceptual skills and technical skills and have better human skills. Based upon the findings and conclusions of the study, the following recommendations were made: firstly, the management committees should improve their leadership skills and abilities by using different mechanisms like experience sharing from other effective leaders in other cooperatives. Secondly, the stakeholders such as policy makers, the cooperative promotion office, universities, GOs or NGOs should work to improve the effectiveness and competencies of cooperative leaders through drafting and implementing appropriate training and development programs.

Therefore, leadership training and development programs should be organized in the areas of cooperation, management and on leadership skills. In addition, stakeholders should arrange regular training opportunities for all members who aspire to serve on committees. Especially at the time of election of new management committees, training programs should be undertaken.

Abbreviations and Acronyms

MLQ	- Multifactor Leadership Questionnaire
EDLBI	- Effective Developmental Leader Behavior Instrument
SNNPRS	- Southern Nations Nationalities Peoples Regional State
SPSS	- Statistical Package for Social Science
HCAMCO	- Hawassa City Administration Marketing and Cooperative Office
FCA	- Federal Cooperative Agency

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