

DETERMINANTS OF LEADERSHIP EFFICIENCY IN
COOPERATIVE ORGANIZATIONS!!
AN INVESTIGATION

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Abstract

In a country like Ethiopia where the overall economy is based on agriculture, Cooperatives are considered as important economic and social organizations providing various services to the farmers, developing agriculture, creating income sources, employment opportunities and others. In order to survive and serve their members, cooperatives need to have a strong, dedicated and vibrant leadership. Efficient leadership is a cornerstone for the better performance of cooperatives which attract and retain the members. According to the officials of Sidama Zone Cooperative Bureau, there are leadership problems in most of the cooperatives and the problem is severe in Wondo Gennet District. Hence this research paper is focused on the objectives; (i) To measure the leadership efficiency of management committee in the SACCOS; (ii) To investigate the leadership competency of committee members of selected SACCOS; (iii) To trace out the factors determining the leadership efficiency of leaders in the selected cooperatives in the study area. To address the objectives, primary data was collected using semi-structured interview schedule from 128 members of sample 12 SACCOS selected by Yamane (1967) sample determination formula. In addition, five management committee members from each cooperative were selected purposively to assess the leadership competency. Thus total sample size was 188. In addition, focus group discussions and key informant interviews were carried out to elicit relevant information. The collected data was analysed using SPSS (version 21) to arrive

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meaningful results. Statistical tools such as Mean, Standard Deviation, Chi-square Test, and Test of Significance were adopted for analysis and interpretation of data. In addition, Orderly Logistic Regression model was used to trace out the influential factors responsible for the efficiency of leaders in the cooperatives. The analysis results are presented in the form of tabulation and diagrams. The overall results indicate that leadership efficiency of management committee is seems to be moderate (3.4) perceived by the members. However, the efficiency of leaders perceived by themselves is high (4.026). While the leadership competency perceived by the leaders is slightly above average (3.63). The regression results show that out of 17 variables included in the model, 10 variables are found to be significantly influencing the leadership efficiency of SACCOs' leaders. They are age, educational level, membership duration, leadership experience, leadership training, working environment, knowledge of cooperation, interest in their leadership, leadership skill, and income of the family which need attention while selecting the leaders so as to perform well in their role and responsibilities. It is suggested that relevant stakeholders need to arrange the periodical leadership training to the management committee of the cooperatives so as to improve the performance as expected.

Key Words: Leadership Efficiency, Determinants, Cooperative Development

1. Introduction

In a country like Ethiopia where the overall economy is based on agriculture, cooperatives are considered as one of the important economic and social organizations providing various services to the farmers, developing agriculture, creating income sources, employment opportunities and others. The theory of cooperative organization provides several reasons why farmers join the cooperatives. According to Schroeder (1992), cooperatives provide quality supplies and services to the farmers at a reasonable cost. Evidence shows that cooperatives enable farmers to achieve economies of scale, bargaining power and capacity to invest in more advanced stages of the value chain including storage, processing, marketing and distribution. As transaction costs are reduced, relationships with commercial enterprises can be built through contract farming or other mutually beneficial arrangements. Besides, as community institutions, cooperatives devolve decision making to the community level, build social capital, community spirit and pride (Reynolds, 1998).

In order to survive and serve their members, cooperative organizations need to have a strong, dedicated and vibrant leadership. Because it is believed that above all the successes of cooperative societies depend on the quality of leadership they possess. Good and efficient leaders matter to the overall performance and well-being of the cooperatives and its members; they also matter to other stakeholders of the cooperatives, such as the customers and the society. In other words, efficient leadership is a cornerstone in life, in general, and in achieving organizations' success, in particular (Ali, 2009). Efficient leadership involves not only a successful leader, but also the followers and the environment (McShane et al., 2000). Bezabih (2009) in his study also reported that in Ethiopia primary cooperatives generally cannot afford to recruit highly skilled employees and management committees so they are drawn from members who manage them.

2. Statement of Problem

The efficiency of cooperative leaders can determine the effectiveness of the cooperatives because they influence the members and employees of cooperative to participate willingly for the achievement of goals. The quality of leadership directly affects the health and success of every organization (www.coopscanada.coop). Central to the success or failure of any cooperative is a functioning of Board of Directors that represents all of the cooperative members (Cropp, 2005). Directors are responsible for governing their cooperatives by acting in concert as a board to set policy, oversee operations, and make top-level directional decisions affecting the welfare of the cooperative and its members (Wadsworth, 2000). The Board of Directors exercises general supervision and control over the business and affairs of the cooperatives and their specific powers and duties usually established in the organizational by-laws. Each directors understanding of and ability in his/her role in the leadership process influences the leadership efficiency of a board (ibid).The way in which the management committee (Board of Directors) of cooperatives can greatly influence the members, non-members and stakeholders such as government bodies and NGOs is very crucial for the development of cooperatives.

Even though cooperative leaders (management committee) are the key position for the success or failure of cooperatives, in Ethiopia one of the great challenges that hinder cooperatives success is the absence of efficient leaders. Due to this, cooperatives face serious problems that retain them not to perform well and achieve their objectives successfully such as low commitment and

disloyalty of members, low participation on cooperative undertakings, unwillingness to serve as a committee member, unskilled management committee, and the unhappiness of members with the co-operative services (Haileselassie, 2003; Alema, 2008).

According to the officials of Sidama Zone Cooperative Bureau, there is existence of leadership problems in most of the cooperatives in different woredas and the problem is severe in Wondegennet woreda. Moreover, there are few studies reviewed (such as Oloba, 2012; Manyazehal, 2012; Awol, 2012) so far have discussed on leadership style and determinants of women leadership in Adama zone of Oromia Region and Gamo Gofa Zone of SNNPR which were not focused on leadership efficiency and competencies of management committee of cooperatives. To the knowledge of the researchers, there is no study has been carried out on the leadership efficiency and competencies of management committee in the study area. Hence, the present study is unique and attempted to bring forth the leadership efficiency and competencies of management committee of Saving and Credit Cooperatives (SACCOS).

3) Objectives of the Paper

- To measure the leadership efficiency of management committee in the SACCOS in Wondo gennet District;
- To investigate the leadership competency of committee members of selected cooperatives in the study area;
- To trace out the factors determining the leadership efficiency of leaders in the selected cooperatives

4. Methodology Adopted

The research was carried out in Wondo Gennet District of Sidama Zone, SNNPR. This study is a descriptive one and primarily depends on empirical based quantitative and qualitative data. A multi stage random sampling procedure has been followed to identify the Zone, District, sample Cooperatives and sample respondents. At the first stage, Sidama Zone of SNNP Region has been selected purposively as the study area since it is one of the cooperatively developed Zones in the Region wherein significant proportion of population have been brought under the fold of cooperatives of different type. In the second stage, Out of 19 Woredas in the Zone, Wondo

Gennet District has been selected purposively based on the concentration of different types of primary cooperatives as well as the leadership problem is severe according to the Zonal Bureau. In the third stage, from the different types of cooperatives in the District, Saving and Credit Cooperatives (SACCOS) were selected purposively due to the large number compared to other types of cooperatives in the District. Out of 14 cooperatives, 12 SACCOs has been considered as sample since others are dormant. In the fourth stage, out of 1172 total registered members in 12 SACCOs, 128 sample members have been selected using Yamane (1967)

$$n = \frac{N}{1 + N(e)^2}$$

With the error term is e=0.09.

In the final stage, the sample respondents were identified by proportionate random sampling technique. In addition, to examine the leadership competencies and for identifying the factors determining the efficiency of leadership, 5 management committee members from each selected cooperatives were selected purposively. Thus the total sample is 188. Moreover, key informant interview and focus group discussions were also be carried out where ever the necessity arises.

To meet the objectives of the study, both primary as well as secondary data were gathered and utilized with the help of appropriate instruments. Primary data was collected from the sample respondents by conducting direct face to face interview and the secondary data was collected from different documents of concern bodies.

To collect the primary data, semi-structured interview schedules (SIS) were prepared, pre-tested and fine tuned. The interview schedule consists of questions pertaining to socio economic profile of sample respondents, leadership competency, factors influencing the leadership efficiency, members level of satisfaction and the implication of leadership efficiency on development of cooperatives. A five point Likerts' scale was constructed to measure the level of satisfaction and the efficiency of leaders. Besides, focus group discussions also carried out for eliciting information and to have authentic support for validating the data. To assess the leadership efficiency and leadership competency different indicators were used.

Indicators of Leadership Efficiency: Leading Others, Leading Self, Strategic Focus, Task Management, Ability to analyze, Emotional Stability, Self- Confidence, Fore sighting, Capacity to motivate, Communication Skill, Practicing what is preached, Understanding the needs and

characteristics of followers, Controlling group performance, Counseling, Contextual expertise, Prioritizing and focusing on organizational objective, Self esteem, Accomplishment of action plan, Discarding of tactics, Search for opportunities for change and improvement, Experiment and take risk, Envision the future, Foster collaboration, Fostering team work, Lead by doing, Build commitment to action, Recognize contributions, Celebrate accomplishment, Foster Conflict Resolutions (win-win)

Indicators of Leadership Competencies: Leadership Experience, Knowledge of Cooperation, Knowledge of Management, Interest in their Leadership, Leadership Skills (Human Skills, Conceptual Skills and Technical Skills)

The collected data was organized and edited in a meaningful form for analysis, scoring and tabulation of data. Statistical Package for Social Sciences (SPSS version 21) was used for analyse the data. Simple statistical tools such as Mean, Standard Deviation, and Chi-square Test were used for analysis and interpretation of data. In addition, Ordered Logit Regression model was used to trace out the influential factors responsible for the leadership efficiency of selected cooperatives. The analysis results are presented in the form of tabulation and diagrammatic representation.

Selection of the Econometric Model

A number of statistical models have been developed that allow to study qualitative variables; the two that have been most popular are the” logistic regression” and the probit models. These models can be easily applied to cases where the dependent variable is either nominal or ordinal, and has two or more levels, and the independent variables are any mix of qualitative and quantitative predictors.

For the simplicity of interpretation of parameters, ordered logit model was used instead of ordered probit model to examine the factors determining the leadership effectiveness having three distinct categories i.e, slightly effective, moderately effective and very effective. According to Greene (2008) and Liao (1994) the functional form of ordered logit model is specified as follows:

$$y^* = \sum_{k=1}^k \beta_k \chi_k + \varepsilon \quad (1)$$

y^* = is unobserved and thus can be thought of as the underlying tendency of an observed phenomenon.

ε = we assume it follows a certain symmetric distribution with zero mean such as normal or logistic distribution. What we do observe is

$$\begin{aligned} y &= 1 \text{ if } y^* \leq \mu_1 \\ y &= 2 \text{ if } \mu_1 < y^* \leq \mu_2 \\ y &= 3 \text{ if } \mu_2 < y^* \leq \mu_3 \\ y &= j \text{ if } \mu_{j-1} < y^* \end{aligned} \quad (2)$$

Where y is observed in j number of ordered categories, μ s are unknown threshold parameters separating the adjacent categories to be estimated with β s. The general form for the probability that the observed y falls into category j and the μ s and the β s are to be estimated with an ordered logit model is:

$$\text{Prob}(y=j) = 1 - L \left[\mu_{j-1} - \sum_{k=1}^k \beta_k \chi_k \right] \quad (3)$$

Where, L (.) represents cumulative logistic distribution. The odds ratio on each variable was

$$\text{calculated by: } \frac{\partial \text{prob}(Y = j)}{\partial X_k} = \left[f \left(\mu_{j-1} - \sum_{k=1}^k \beta_k \chi_k \right) - f \left(\mu_j - \sum_{k=1}^k \beta_k \chi_k \right) \right] \beta_k \quad (4)$$

Where f (.) represents the probability density function

5. Results and Discussion

The outcome of the research work is presented in the following five sections for easy understanding.

5.1. Profile of Sample Respondents

A. Age of the Respondents: Knowing the age of respondents enables to know their level of understanding and life experience. It is assumed that those aged people were passed through more experiences in their life, thus they have tendency to acquire more knowledge, so they can lead better than younger ones. With regard to age characteristic, the average age of sample members and leaders is 34.45 and 37.1 years respectively. The minimum age is 21 while the

maximum age is 50 years for sample members and leaders. The results also reveal that, majority (60.9% of members and 66.7% of leaders) found in the age group of 31 to 40. This implies that majority of the respondents found in the working age categories that are strong enough to participate actively in the leadership activities of SACCOs.

B. Sex-wise Classification of Respondents: Knowing the sex-wise distribution of respondents enable to know which sex category is dominant in the cooperative leadership position as well as which category has greater aspiration for membership of SACCOs in the study area. The distribution of respondents based on their sex for both sample members and management committees is summarized in table 1. The results indicate that majority (66.4%) of the sample members is male and 33.6% is female. Sex-wise distribution of sample leaders also indicates that male respondents are higher, constituting 56.7% and this variation is due to the small number of women holding managerial positions in cooperatives.

C. Marital Status of the Respondents: In today's world, both men and women are working in a family, so they share risk and returns. Marital status of respondents are asked to know the general characteristics and it is assumed that those who are married may have better in leadership than single ones. It is found that majority (93.5% of members and 86.6% of leaders) are married. Unmarried category forms only 4.7 & 6.7 percent of the total respondents for members and leaders respectively. This implies that most of the married people are aspiring to enter into SACCOs in the study area.

D. Family Size of Respondents: The size of individual family members may have an impact on leadership because those who have more family members can acquire more experience in leading their families. This can also help them to acquire more techniques and experience in leading an organization. According to the results, the average household size of sample members and leaders is 6.2 and 6.7 persons respectively. Around 56.3% of sample members have family size of 4 to 6 individuals. Similarly, among leader respondents, 51.7% encompass family members of 4 to 6. This shows majority members and leaders of SACCOs in the area have a better experience of leadership in their families and it may help them to lead better the cooperatives.

Table 1: Demographic and Socio-economic Characteristics of Respondents

Variables	Categories	Members (n=128)			Leaders (n=60)		
		n	%	Mean(StD)	n	%	Mean(StD)
Age	21-30	35	27.3	34.45	4	6.7	37.10
	31-40	78	60.9	(5.34)	40	66.7	(5.77)
	41-50	15	11.7		16	26.7	
Sex	Male	85	66.4		34	56.7	
	Female	43	33.6		26	43.3	
Marital status	Married	120	93.8		52	86.7	
	Unmarried	6	4.7		4	6.7	
	Widowed	2	1.6		4	6.7	
Family Size	1-3	7	5.5	6.20	2	3.3	6.73
	4-6	72	56.3	(2.20)	31	51.7	(2.22)
	7-9	41	32.0		20	33.3	
Position in the Household	Household Head	109	85.2		52	86.7	
	Earning Member	7	5.5		2	3.3	
	Ordinary Member	1	.8		2	3.3	
	Deciding Person	11	8.6		4	6.7	
Occupation	Daily laborer	4	3.1		2	3.3	
	Own farm laborer	103	80.5		43	71.7	
	Government employee	11	8.6		7	11.7	
	Business(trader)	10	7.8		8	13.3	
Monthly Income in Birr	500-2000	34	26.6	2641.59	11	18.3	2823.25
	2001-3500	82	64.1	(814.54)	38	63.3	(750.28)
	3501-5000	12	9.4		10	16.7	
Family	5001-6500	-	-		1	1.7	
	2000-3500	68	53.1	3573.78	20	33.3	4024.25

Monthly	3501-5000	53	41.4	(1013.36)	26	43.3	(1142.57)
Income	5001-6500	3	2.3		11	18.3	
Birr	6501-8000	4	3.1		3	5.0	
Membership	1-3	18	14.1		4	6.7	7.48
Duration	4-6	36	28.1		9	15.0	(2.05)
years	7-9	72	56.3		46	76.7	
	10-12	2	1.6		1	1.7	

E. Position in the Household: Position of the members and leaders in the household as head or others will have influence in managing the cooperatives since they are able to manage their houses. The survey findings show that vast majority (85.2%) of the members and leaders (86.7%) are shouldering the responsibility of household head which may directly or indirectly influence the leadership efficiency in sample cooperatives.

F. Occupation: Knowing the occupational characteristic of members and leaders of SACCOs in the study area enables to know their way of living and sources of income. The results indicate that vast majority of the members (80.5%) and leaders (71.7%) are working as laborers in their own farming activities and the remaining are engaged in other types of occupation such as daily labourers, government offices and businesses.

G. Monthly Income: Income level of respondents was assessed primarily to know the economic status of members of SACCOs in the study area and is classified in four categories by considering the average monthly income. Table 1 results signifies that, more than half (64.1% members and 63.3% leaders) of the respondents earn a monthly income of Birr 2001 to 3500. 26.6% of the members and 18.3% of leaders earn below 2000 Birr monthly. The average monthly income of members is Birr 2641.59 and the leaders is Birr 2823.25. From this, we may generalize that those members earning lower income were more interested in joining SACCOs to reap the benefit out of them.

H. Duration of membership: Members who have stayed longer in the cooperatives would have a possibility of knowing objectives, activities and benefits of the existing cooperatives and have a better sense of ownership than new members. In addition, it will lead to take the responsibility of leadership in the cooperative affairs. The survey results indicate that 56.3% of the members and vast majority (76.7%) of the leaders have the experience of 7-9 years, where as 28.1% of the

members and 15% of the leaders have 4-6 years of experience in cooperatives. This implies that leaders have stayed more years in cooperatives than members which is responsible for better knowledge about the objectives, activities and benefits of the cooperatives, and can have a better sense of ownership.

I. Educational Level of Respondents: Education plays a great role to motivate and let members participate in cooperative affairs actively. This is because members who are literate have an opportunity to be acquainted with the rights and obligations they have in the cooperatives. For instance, education can help members to easily understand their rights and responsibilities in their cooperatives and participate as a leader. Figure 1 results reveal that most of the members (31.4%) and leaders (16.09%) have completed grade eight. Therefore, they can easily understand their rights and responsibilities and can participate actively in the leadership affairs of cooperatives

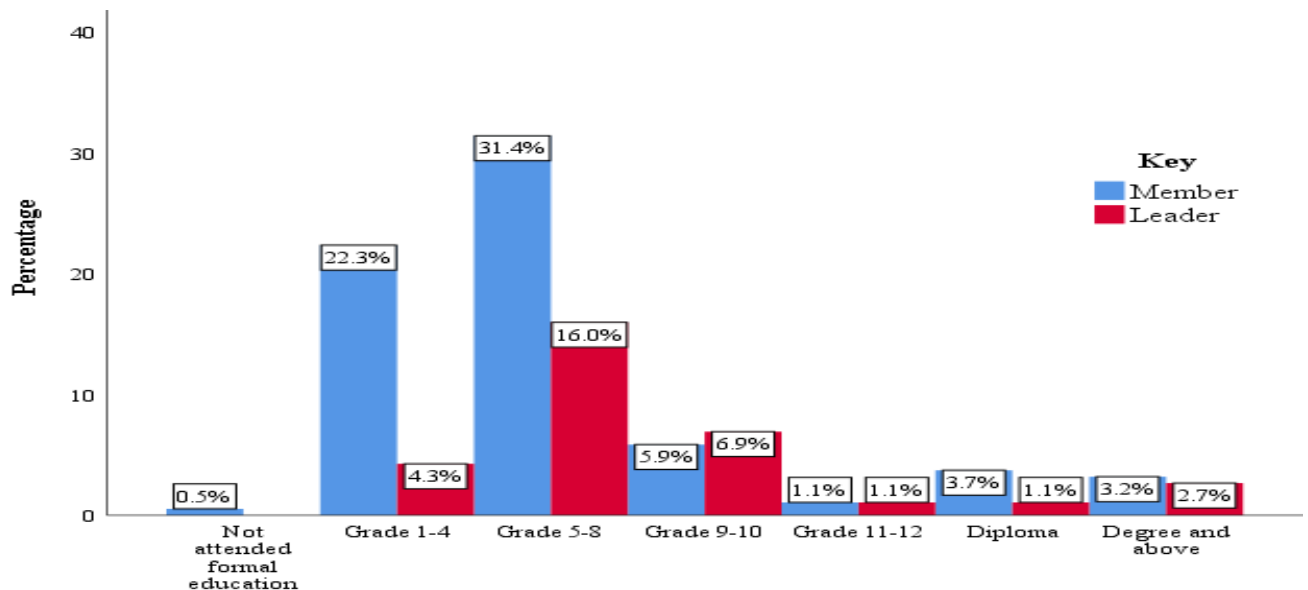


Figure 1: Respondents' Educational Level

J. Leaders' Experience as Cooperatives Leaders: It is obvious that leadership experience in the cooperatives have strong influence on their efficiency. Those who have more year of experience could understand more knowledge and strategies through their experience to manage the cooperatives and their members effectively. It is found from the figure 2, majority of the leaders have only 2.5 – 3.5 years of experience and only seven leaders have eight years of experience in the sample cooperatives.

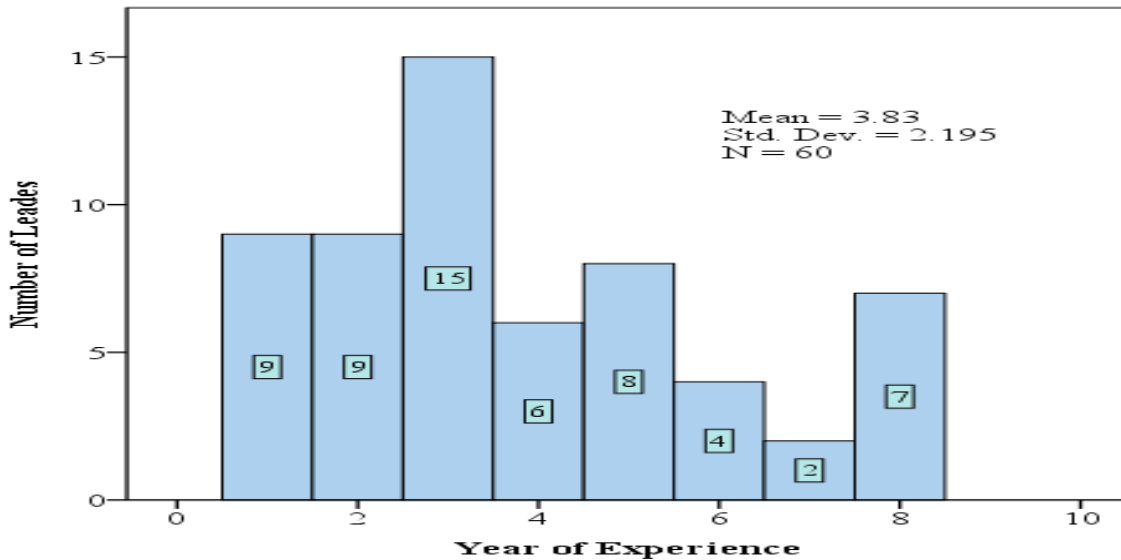


Figure 2: Leaders' year of experience in the current position

5.2 Leadership Efficiency of Cooperative Leaders

Effective cooperative leaders are very crucial for determining the success of the cooperatives' performance. Here the assessment of leadership efficiency has done based on the perception of members 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 Nathan et. al (2010) and classification of each statement done based on their nature. As discussed in the methodology part, some of the statements included for measuring efficiency of leaders taken from Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avalio (1997) which was used and cited by Temesgen (2011) and Muindi (2011). In addition, some statements taken from Effective Developmental Leader Behavior Instrument (EDLBI) developed by Stanley (2004) and the remaining statements were prepared by considering the roles, duties and responsibilities of cooperative leaders. Those statements taken from MLQ and EDLBI were modified in the context of the present research. Respondents were asked to rate their leader's efficiency using a five point Likerts' scale. Bass and Avalio (1997) developed a research validated benchmark for leadership effectiveness based on the mean score which was used by Temesgen (2011) and Muindi (2011). This study also made use of mean score in order to measure the leader's efficiency. Here, we used the recommended research validated benchmark for making comparisons and not used directly because, it was not developed by considering the environment of cooperatives and the context of our country.

5.2.1 Members' Perception towards their Leaders' Efficiency on Leading others

Leading others addresses the extent to which cooperative leaders' aid and inspires others or members to perform their duties and responsibilities willingly. For measuring the management committee's efficiency in leading others, nine statements were used like motivate members to participate actively, gets people involved in decisions, fosters collaboration on common goals, creates in members a sense of ownership, encourage the public to be a member, communicating effectively the goal and objectives, receive feedback, communicates in a respectful manner and become an example for others. These behaviors of effective leadership evaluated from the perception of members and the results are presented in Table 2. The table results regarding the leaders' efficiency on leading others/members perceived by the member respondents indicate that the overall efficiency is slightly above (3.10) average which indicate the leaders having moderate efficiency in leading their members. Among the nine variables, six variables are found to be significant. The overall test value (1.81) and the p value (0.073) indicate not significant. From this it can be inferred that the leaders in the sample SACCOs are having only moderate efficiency in running the cooperatives.

Table 2: Members' Perception towards their Leaders' Efficiency on Leading Others/Members

No	Variables	Rating Scale					Mean (StD)	t-test (p-value)
		SA	A	N	D	SD		
1	Motivate members to participate actively	18 (14.1)	55 (43.0)	29 (22.7)	26 (20.3)	-	3.51 (0.97)	5.91** * (0.000)
2	Gets people involved in decisions	15 (11.7)	54 (42.2)	21 (16.4)	32 (25.0)	6 (4.7)	3.31 (1.11)	3.18** (0.002)
3	Fosters collaboration on common goals	10 (7.8)	23 (18.0)	31 (24.2)	43 (33.6)	21 (16.4)	2.67 (1.18)	-3.15** (0.002)
4	Creates others (members) a sense of ownership	14 (10.9)	51 (39.8)	23 (18.0)	29 (22.7)	11 (8.6)	3.22 (1.17)	2.12* (0.036)
5	Encourage the public to be a	19	37	38	22	12	3.23	2.18*

	member	(14.8)	(28.9)	(29.7)	(17.2)	(9.4)	1.18	(0.032)
6	Communicating effectively the goal and objectives of cooperatives	19 (14.8)	36 (28.1)	22 (17.2)	40 (31.3)	11 (8.6)	3.09 (1.24)	0.86 (0.393)
7	Receive feedback regarding their functioning as well as their strength and weakness	15 (11.7)	19 (14.8)	34 (26.6)	37 (28.9)	23 (18.0)	2.73 (1.25)	-2.40* (0.018)
8	Communicates in a respectful manner	9 (7.0)	48 (37.5)	32 (25.0)	30 (23.4)	9 (7.0)	3.14 (1.08)	1.48 (0.142)
9	Become an example for members	10 (7.8)	40 (31.3)	30 (23.4)	34 (26.6)	14 (10.9)	2.98 (1.16)	-0.15 (0.879)
	Overall	14 (10.9)	40 (31.2)	29 (22.7)	33 (25.8)	12 (9.4)	3.10 (0.62)	1.81 (0.073)

Note: *** p<0.001, ** p<0.01, and * p<0.05 significance level

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

The brackets under rating scale represent percentages

5.2.2 Members' Perception towards their Leaders' Efficiency on Leading Self

This indicator addresses the extent to which leaders of cooperatives were open to personal development, ability to make sound decisions with confidence, and are forward-looking. In order to assess the management committee's efficiency in terms of leading self, eight statements were used. They are; express enthusiasm for the vision & objectives of cooperatives, self-confidence in expressing their ideas clearly, being courageous, commitment to work, cooperation among the committee members, honesty, learning from mistakes and developing better approach and prevent corruption practices. The score secured under this category is presented in the table 3.

Table 3: Members' Perception towards their Leaders' Efficiency on Leading Self

No.	Variables	Rating Scale					Mean (StD)	t-test (p-value)
		SA	A	N	D	SD		
1	Express enthusiasm for the vision & objectives of	18	45	29	26	10	3.27 (1.17)	2.65** (0.009)

	cooperative	(14.1)	(35.2)	(22.7)	(20.3)	(7.8)		
2	Self-confidence in expressing their ideas clearly without fear	27	46	28	20	7	3.52	5.07***
		(21.1)	(35.9)	(21.9)	(15.6)	(5.5)	(1.15)	(0.000)
3	Being courageous, taking appropriate risks	8	44	29	30	17	2.97	-0.30
		(6.3)	(34.4)	(22.7)	(23.4)	(13.3)	(1.17)	(0.763)
4	Commitment to work (to their duty and responsibility)	12	41	36	24	15	3.09	0.84
		(9.4)	(32.0)	(28.1)	(18.8)	(11.7)	(1.16)	(0.405)
5	Cooperation among the management committees	15	36	38	26	13	3.11	1.06
		(11.7)	(28.1)	(29.7)	(20.3)	(10.2)	(1.17)	(0.290)
6	Honesty	16	20	32	35	25	2.74	-2.27*
		(12.5)	(15.6)	(25.0)	(27.3)	(19.5)	(1.28)	(0.025)
7	Learning from mistakes and developing better approach	12	45	18	33	20	2.97	-0.28
		(9.4)	(35.2)	(14.1)	(25.8)	(16.6)	(1.27)	(0.782)
8	Prevent corruption practices	16	37	23	27	25	2.94	-0.53
		(12.5)	(28.9)	(18.0)	(21.1)	(19.5)	(1.34)	(0.598)
	Overall	15	38	30	27	18	3.08	0.921
		(11.7)	(29.7)	(23.4)	(21.1)	(14.1)	(0.92)	(0.359)

Note: *** p<0.001, ** p<0.01 significance level;

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

The brackets under rating scale represent percentages

In addition, the survey results also show that the overall efficiency is slightly above (3.8) average regarding the perception of members on their leaders' efficiency on leading themselves which indicate that the leaders having moderate efficiency in leading themselves. Among the eight variables assessed under this heading, only three variables are found to be significant. The overall test value (0.921) and the p value (0.0359) indicate not significant. From this it can be inferred that the leaders in the sample SACCOs are having only moderate efficiency in running the cooperatives.

5.2.3 Members' Perception towards their Leaders' Efficiency on Strategic Focus

Strategic focus addresses leader's efficiency in maximizing the organization's current and potential level of success. For this, six statements were included in the assessment such as;

ability to think strategically, setting clear objectives and achieve, foresight opportunities and threats of their cooperative, achieve a high level of customer satisfaction, views business process from the viewpoint of ultimate clients, and recognizes and supports new ideas were incorporated and the responses are summarized in table 4.

Table 4: Members' Perception towards their Leaders' Efficiency on Strategic Focus

No	Variables	Rating Scale					Mean (StD)	t-test (p-value)
		SA	A	N	D	SD		
1	Ability to think strategically	10 (7.8)	43 (33.6)	24 (18.8)	35 (27.3)	16 (12.5)	2.97 (1.20)	-0.30 (0.768)
2	Setting clear goals and achieve	10 (7.8)	49 (38.3)	18 (14.1)	26 (20.3)	25 (19.5)	2.95 (1.30)	-0.48 (0.635)
3	Foresight opportunities and threats of their cooperative	5 (3.9)	49 (38.3)	21 (16.4)	39 (30.5)	14 (10.9)	2.94 (1.20)	-0.62 (0.534)
4	Achieve a high level of customers satisfaction	12 (9.4)	34 (26.6)	34 (26.6)	30 (23.4)	18 (14.1)	2.94 (1.20)	-0.59 (0.557)
5	Views business process from view point of ultimate clients	8 (6.3)	42 (32.8)	29 (22.7)	39 (30.5)	10 (7.8)	2.99 (1.10)	-.08 (0.936)
6	Recognizes and supports new ideas	15 (11.7)	41 (32.0)	25 (19.5)	28 (21.9)	19 (14.8)	3.04 (1.27)	0.35 (0.728)
Overall		10 (7.8)	43 (33.6)	25 (19.5)	33 (25.8)	17 (13.3)	2.97 (1.07)	-0.317 (0.752)

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

The bracket under rating scale represents percentage

Table 4 results indicate that the members perceived their leaders are not having sufficient leadership efficiency on strategic focus which is proved by the overall value (2.97) which is less than the average (3) and none of the variable is seems to be significant. This shows that the management committee in the sample SACCOS not having efficiency regarding strategic focus. The overall test value (-0.317) and the p value (0.752) proved the same. From this it can be inferred that the leaders in the sample SACCOS are not having efficiency in strategic focus which is essential for successful cooperatives.

5.2.4 Members' Perception towards their Leaders' Efficiency on Task Management

The task management indicator deals with cooperative leaders' efficiency in directing the efforts of others. For measuring this, seven statements were included. These include administrating the cooperative, solving problems of members effectively, making sound decisions in the cooperative, conflict resolution and negotiation, applying cooperative values and principles, leading meetings that use time well and meet goals, and working for the benefit of members rather than the benefit of themselves. The results pertaining leader's effectiveness in task management is presented in table 5. From the results it can be understood that the leaders in the sample cooperatives are having moderate leadership efficiency regarding the task management as perceived by the members. Among the seven variables under task management, only one variable namely 'making sound decision in the cooperative is significant and all other variables are insignificant. The overall t test value (3.04) and the p value (0.66) indicate that the leaders are having moderate efficiency in their task management in the sample SACCOs.

Table 5: Members' Perception towards their Leaders' Efficiency on Task Management

No.	Variables	Rating Scale					Mean (StD)	t-test (p-value)
		SA	A	N	D	SD		
1	Effectively administrating the cooperative	10 (7.8)	49 (38.3)	22 (17.2)	39 (30.5)	8 (6.3)	3.11 (1.12)	1.11 (0.270)
2	Solving problems of members effectively	16 (12.5)	44 (34.4)	24 (18.8)	26 (20.3)	18 (14.1)	3.11 (1.27)	0.98 (0.331)
3	Making sound decisions in the cooperative	30 (23.4)	31 (24.2)	18 (14.1)	38 (29.7)	11 (8.6)	3.24 (1.33)	2.06* (0.042)
4	Have conflict resolution and negotiation skill	14 (10.9)	47 (36.7)	17 (13.3)	26 (20.3)	24 (18.8)	3.01 (1.33)	0.07 (0.9487)
5	Applying cooperative values and principles	8 (6.3)	41 (32)	34 (26.6)	31 (24.2)	14 (10.9)	2.98 (1.12)	-0.16 (0.875)
6	Leading meetings that use time well and meet goals	10 (7.8)	42 (32.8)	24 (18.8)	27 (21.1)	25 (19.5)	2.88 (1.28)	-1.04 (0.301)
7	Working for benefit of members rather than benefit of themselves	9 (7.0)	44 (34.4)	23 (18.0)	37 (28.9)	15 (11.7)	2.96 (1.18)	-0.38 (0.709)
Overall		14 (10.9)	43 (33.6)	23 (18.0)	32 (25.0)	16 (12.5)	3.04 (1.10)	0.38 (0.66)

Note: * p<0.05 significance level; The bracket under rating scale represents percentage

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

The brackets under rating scale represent percentages



Figure 3: Consolidated Results of Efficiency of Leaders

5.3 Leadership Competency of Cooperative Leaders

Leadership competencies are the underlying characteristics of people that lead to superior performance. These include; the person's knowledge, natural and learned abilities, values, and personality traits. Since the beginning of recorded civilization, people have been interested in personal characteristics that distinguish great leaders from the rest of us. Early interest focused on personality traits and physical appearance and the above-mentioned competencies were not considered by earlier studies on leadership traits (McShane et al., 2000).

The recent literatures on leadership identified that there are seven characteristics of effective leaders. They are; drive, leadership motivation, self-confidence, integrity, intelligence, knowledge of the business and emotional intelligence (McShane et al., 2000). There are different competencies which are very effective for leaders and which have connection with the successful organizational change (Abbas, 2010).

Leadership in cooperatives requires certain competencies to accomplish the vision and goal effectively. For this study, 35 leadership competencies believed necessary for management committee to lead their cooperatives effectively were considered. These competence criteria have developed from different review of literatures and discussion with stakeholders. The assessment examined based on the view of management committees themselves and the consolidated results are presented in tables 7, 8 and figure 5.

The overall results indicate that about 10% and 50% of the leaders claimed that they have very high and high leadership competency, while 35% accepted that they have only medium leadership competency. Around 5% agreed that they have low level of leadership competency. Overall mean value is 3.63 which is slightly above the average of 3 which indicate that they have above average competencies which is against the rating of their members. The t test value (14.43) and the p value (0.000) are supporting the results.

Table 7: Leadership Competency perceived by the Leaders

No.	Variables	Rating Scale					Mean (StD)	t-test (p-value)
		VH	H	M	L	VL		
1	Ability to solve problems	09 (15.0)	38 (63.3)	11 (18.3)	02 (3.3)	-	3.90 (.68)	10.23*** (0.000)
2	Ability to manage stress	06 (10.0)	38 (63.3)	14 (23.3)	02 (3.3)	-	3.80 (.66)	9.41*** (0.000)
3	Ability to manage time	01 (1.7)	18 (30.0)	30 (50.0)	11 (18.3)	-	3.15 (.73)	1.59*** (0.118)
4	Ability to be creative to generate new ideas	02 (3.3)	18 (30.0)	38 (63.3)	02 (3.3)	-	3.33 (.60)	4.29*** (0.000)
5	Ability to understand financial matters	02 (3.3)	20 (33.3)	34 (56.7)	04 (6.7)	-	3.33 (.66)	3.94*** (0.000)
6	Computer and internet skill	02 (3.3)	04 (6.7)	03 (5.0)	03 (5.0)	48 (80.0)	1.48 (1.08)	-10.87*** (0.000)
7	Ability to motivate others	7 (11.7)	14 (23.3)	34 (56.7)	4 (6.7)	01 (1.7)	3.37 (.84)	3.37*** (0.001)
8	Ability to set vision, plans and achieve	04 (6.7)	21 (35.0)	29 (48.3)	04 (6.7)	02 (3.3)	3.35 (.84)	3.23** (0.002)
9	Ability to communicate the goals, visions, & other activities	04 (6.7)	29 (48.3)	23 (38.3)	04 (6.7)	-	3.55 (.72)	5.90*** (0.000)
10	Ability to work with others in reflexive manner	01 (1.7)	36 (60.0)	23 (38.3)	-	-	3.63 (.52)	9.44*** (0.000)
11	Self-confidence in your position	02 (3.3)	26 (43.3)	32 (53.3)	-	-	3.50 (.57)	6.83*** (0.000)
12	Conflict resolution skill	07 (11.7)	46 (76.7)	7 (11.7)	-	-	4.00 (.49)	15.90*** (0.000)
13	Team skill	01 (1.7)	36 (60.0)	23 (38.3)	-	-	3.63 (.52)	9.44*** (0.000)
14	Ability to prepare budget	05	34	16	05	-	3.65	6.67***

	plans	(8.3)	(56.7)	(26.7)	(8.3)		(.76)	(0.000)
15	Ability to implement budgets	01 (1.7)	38 (63.3)	21 (35.0)	-	-	3.67 (.51)	10.13*** (0.000)
16	Knowledge of cooperation	17 (28.3)	15 (25.0)	28 (46.7)	-	-	3.82 (.85)	7.41*** (0.000)
17	Knowledge of management	15 (25.0)	23 (38.3)	22 (36.7)	-	-	3.88 (.78)	8.74*** (0.000)
18	Level of interest in your current leadership	14 (23.3)	22 (36.7)	22 (36.7)	02 (3.3)	-	3.77 (.93)	6.40*** (0.000)

Note: *** $p < 0.001$, ** $p < 0.01$ significance level; **VH**= Very High, **H**= High, **M**=Medium, **L**= Low, **VL**= Very Low

The bracket under rating scale represents percentage

Table 8: Leadership Competency perceived by the Leaders

No.	Variables	Rating Scale					Mean (StD)	t-test (p-value)
		VH	H	M	L	VL		
19	Ability to identify personal Strength and Weakness	01 (1.7)	34 (56.7)	25 (41.7)	-	-	3.60 (.527)	8.82*** (0.000)
20	Ability to think strategically	-	40 (66.7)	20 (33.3)	-	-	3.67 (.475)	10.86*** (0.000)
21	Ability set cooperative goals	03 (5.0)	44 (73.3)	13 (21.7)	-	-	3.83 (.493)	13.10*** (0.000)
22	Ability to achieve goals	02 (3.3)	45 (75.0)	13 (21.7)	-	-	3.82 (.469)	13.49*** (0.000)
23	Ability to raise funds from external agencies	01 (1.7)	26 (43.3)	22 (36.7)	6 (10.0)	5 (8.3)	3.20 (.953)	1.63 (0.109)
24	Demonstrate respect for others	08 (13.3)	36 (60.0)	16 (26.7)	-	-	3.87 (.623)	10.77*** (0.000)
25	Demonstrate empathy for social problems	05 (8.3)	43 (71.7)	12 (20.0)	-	-	3.88 (.524)	13.06*** (0.000)
26	Create an environment that values the diversity of others	08 (13.3)	40 (66.7)	12 (20.0)	-	-	3.93 (.578)	12.50*** (0.000)
27	Ability to communicate orally	09 (15.0)	36 (60.0)	10 (16.7)	05 (8.3)	-	3.82 (.770)	7.99*** (0.000)
28	Ability to actively listen members	26 (43.3)	29 (48.3)	05 (8.3)	-	-	4.35 (.633)	16.52*** (0.000)
29	Ability to interact with media	01 (1.7)	29 (48.3)	29 (48.3)	01 (1.7)	-	3.50 (.567)	6.83 (0.000)
30	Ability to personal integrity	04	29	27	-	-	3.62	7.79***

		(6.7)	(48.3)	(45.0)			(.613)	(0.000)
31	Ability to make use of constructive criticism	02 (3.3)	30 (50.0)	27 (45.0)	01 (1.7)	-	3.55 (.594)	7.17*** (0.000)
32	Demonstrate respect for time	04 (6.7)	24 (40.0)	32 (53.3)	-	-	3.53 (.623)	6.63*** (0.000)
33	Network & partnership with other organizations	05 (8.3)	18 (30.0)	28 (46.7)	09 (15.0)	-	3.32 (.833)	2.94** (0.005)
34	Ability to interact with bureau officials	09 (15.0)	33 (55.0)	18 (30.0)	-	-	3.85 (.659)	9.99*** (0.000)
35	Ability to identify the needs of members	08 (13.3)	33 (55.0)	19 (31.7)	-	-	3.82 (.651)	9.72*** (0.000)
	Overall	06 (10.0)	30 (50.0)	21 (35.0)	02 (3.3)	01 (1.7)	3.63 (.340)	14.43 (0.000)

Note: *** $p < 0.001$, ** $p < 0.01$ significance level; **VH**= Very High, **H**= High, **M**=Medium, **L**= Low, **VL**= Very Low; The brackets under rating scale represent percentage

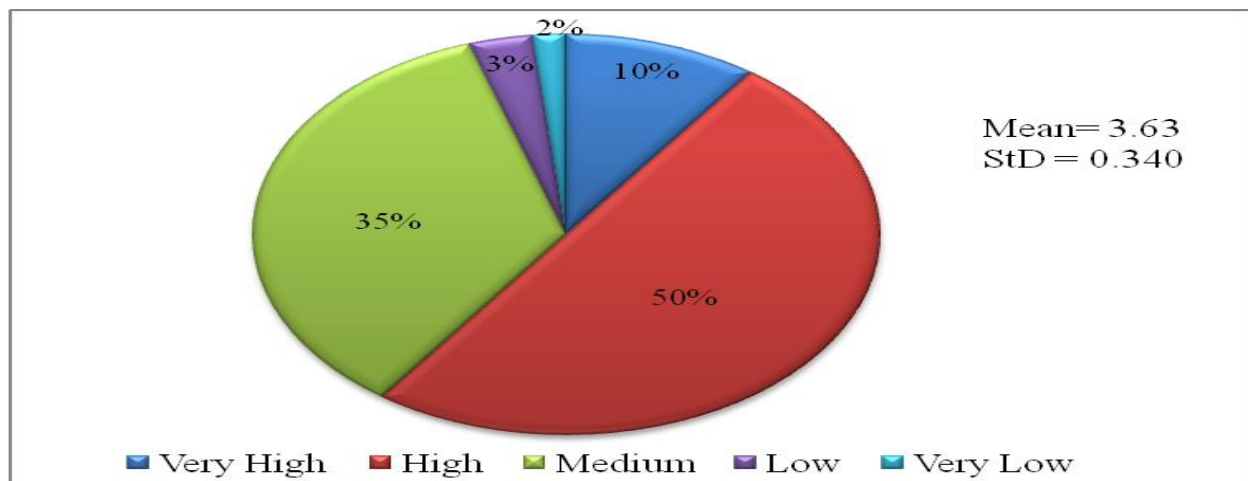


Figure 5: Leadership Competency perceived by the Leaders

5.4 Leadership Efficiency of Management Committee as perceived by themselves

Leadership involves the use of character to overcome external challenges. Effective leadership simplifies the complex, sets aside doubt and makes action compelling and successful. Walker (2009) cited in Muindi (2011) states that effective leaders build a sense of community within the workplace, that they not only increase employee retention figures, but they also improve productivity because employees are more willing to follow effective leaders than non-effective individuals. Walker further gives what he refers to, as ‘Principles of Effective Leadership’ that he believes are common to effective leaders throughout history, and the understanding and practice of them are essential for effective leadership. To assess the leadership efficiency of

management committee in the sample cooperatives, fourteen variables were selected from different literatures as in table 9 and forwarded among the sample SACCOs leaders for their agreement and the results are statistically tested.

The results indicate that 23.3% of the sample management committee members strongly agreed that they have leadership efficiency based on the fourteen statements and above half (55%) simply agreed that they are having sufficient leadership efficiency while 1.7% of the total disagreed that they are not efficient in leadership. However, 20% of the total neither agreed or disagreed about their leadership efficiency. This shows that majority (78.3%) of them are having confident on their efficiency in leadership. The t test value (123.63) and the p value (.000) also support their idea. However, from the point of view of their followers (members) they are not much efficient in cooperative leadership as discussed in the second section.

Table 9: Leadership effectiveness of Management Committee perceived by themselves

No.	Variables	Rating Scale					Mean (StD)	t-test (p-value)
		SA	A	N	D	SD		
1	Members willingness to accept the decision of the committee	17 (28.3)	31 (51.7)	7 (11.7)	5 (8.3)	-	4.00 (.481)	8.97*** (0.000)
2	Members obeying to the order or instruction of the leaders	12 (20.0)	47 (78.3)	1 (1.7)	-	-	4.18 (.431)	21.24*** (0.000)
3	Cooperation and mutual respect among management committee	25 (41.7)	35 (58.3)	-	-	-	4.42 (.497)	22.07*** (0.000)
4	The members are clearly understand the goal f cooperative	25 (41.7)	21 (35.0)	14 (23.3)	-	-	4.18 (.792)	11.58*** (0.000)
5	Cooperation among management committee and members	16 (26.7)	38 (63.3)	5 (8.3)	1 (1.7)	-	4.15 (.633)	14.07*** (0.000)
6	Members commitment to undertake management committees order	10 (16.7)	49 (81.7)	1 (1.7)	-	-	4.15 (.404)	22.03*** (0.000)
7	Members level of participation in the cooperative activities is appreciable	8 (13.3)	21 (35.0)	25 (41.7)	6 (10.0)	-	3.52 (.854)	4.69*** (0.000)
8	Members involvement in providing feedbacks and their opinions to the leaders is high	10 (16.7)	40 (66.7)	10 (16.7)	-	-	4.00 (.582)	13.30*** (0.000)
9	Management committee has been following the cooperative	16 (26.7)	39 (65.0)	5 (8.3)	-	-	4.18 (.567)	16.16*** (0.000)

principles and values									
10	Management committee is effective in setting plan	8 (13.3)	36 (60.0)	16 (26.7)	-	-	3.87 (.623)	10.77*** (0.000)	
11	Satisfaction of members and employees in general is good	14 (23.3)	26 (43.3)	18 (30.0)	2 (3.3)	-	3.87 (.812)	8.26*** (0.000)	
12	The leaders have created new ideas or methods for improving the effectiveness of cooperative	2 (3.3)	29 (48.3)	29 (48.3)	-	-	3.55 (.565)	7.54*** (0.000)	
13	Management committee is effective in managing the finance and other resources	6 (10.0)	28 (46.7)	26 (43.3)	-	-	3.67 (.655)	7.88*** (0.000)	
14	Efforts made to build good image for their members and the community	10 (16.7)	28 (46.7)	22 (36.7)	-	-	3.80 (.708)	8.75*** (0.000)	
Overall		13 (23.3)	33 (55.0)	13 (20.0)	1 (1.7)	0 (0.0)	4.026 (.252)	123.63 (.000)	

Note: *** p<0.001 significance level; SA= Strongly Agree, A= Agree, N=Neutral, D=Disagree, SD=Strongly Disagree; The brackets under rating scale represent percentage

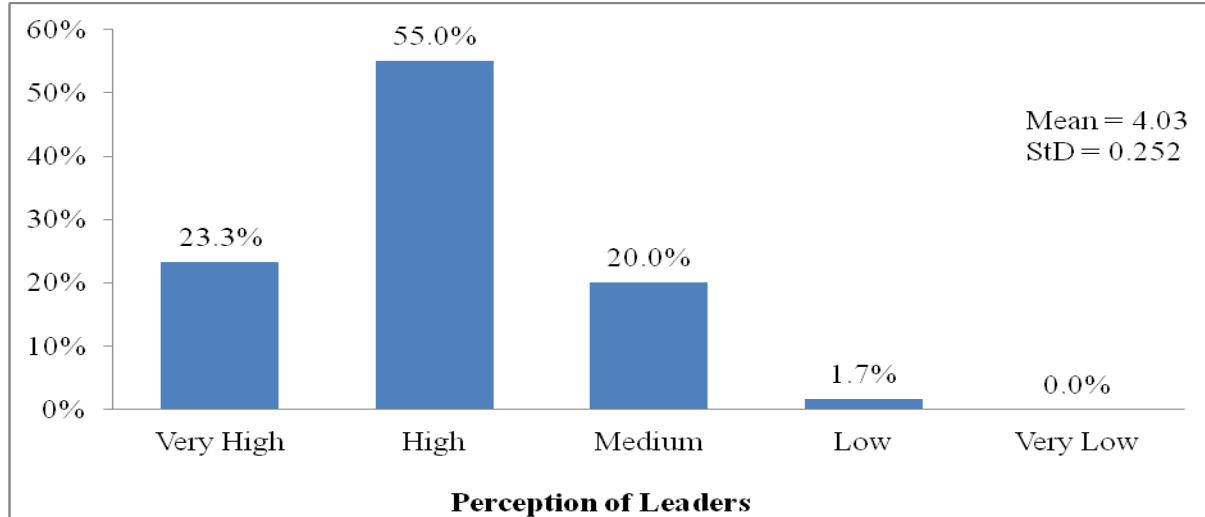


Figure 6: Leadership Efficiency of Management Committee perceived by the Leaders

5.5 Factors Determining the Leadership Efficiency of Management Committee in the SACCOs

As quoted in the conceptual framework, many research findings show that there are many factors responsible for the efficiency of leaders in different organizations especially cooperatives. It is essential to find those factors so as to forward suitable policy measures to address those factors so as to enhance the efficiency of cooperative leaders. Hence an assessment was made in this research to trace out the important influential factors responsible for the management committee members of cooperatives. For this purpose as discussed in the methodology, chi-square test and orderly regression analysis were carried out. Seventeen variables as shown in the table 10 were identified through literature and included in the analysis. As the first step, Chi-square test was carried out and the results are presented in table 10.

According to Chi-square results (Table 10), among the seventeen variables, fifteen variables have found to be statistically significant association with leadership efficiency. For identifying their overall effect on leadership efficiency, all significant variables such as age of respondents, marital status, educational level, family size, membership duration, leadership experience, leadership training, existence of paid manager, time availability, working environment, knowledge of cooperation, knowledge of management, interest in their leadership, leadership skills and income of the family were included in the regression model and the results are presented in table 11.

Table 10: Chi-square test results on the association between leadership efficiency and its factors

Variables	χ^2_{Cal}	P-value
Age of respondents	12.80*	0.012
Sex of respondents	0.09	0.956
Marital status	6.02*	0.049
Educational level	25.95**	0.004
Family size	16.39*	0.012
Membership duration	14.45*	0.025
Leadership experience	11.02*	0.026

Leadership training	7.12*	0.028
Existence of paid manager	6.78*	0.034
Time availability	7.13*	0.028
Government interference	0.32	0.854
Working environment	10.63**	0.005
Knowledge of cooperation	6.11*	0.047
Knowledge of management	9.44**	0.009
Interest in their leadership	7.13*	0.028
Leadership skills	7.53*	0.023
Income of the family	14.42*	0.025

Note: ** $p < 0.01$, and * $p < 0.05$ significance level

As can be seen from the ordered logistic regression output, out of fifteen variables which were included in the model, ten variables have found to be significant effect on leadership effectiveness. Based on the model results on Table 11, age of respondents ($B = -0.370$, $p < 0.05$) shows that younger leaders are more effective than older leaders. The odds ratio of 0.691 indicates that a unit increase in age of a leader decreases his/her leadership effectiveness by 0.691 units.

Educational level of a leader ($B = 2.379$, $p < 0.01$) is another factor that influence the leadership effectiveness positively. The results of odds ratio (10.794) indicated that as education status of a leader increases by one unit, the probability of his/her leadership effectiveness will increase by 10.794 units.

Membership duration ($B = 0.758$, $p < 0.05$) also influence leadership effectiveness positively. The odds ratio shows that a one unit increase in membership duration of a leader, expected to change his/her leadership effectiveness by 2.134 units given other variables in the model are held constant.

Table 11: Ordered logistic regression model on the effect of independent variables on Leadership efficiency

Variables	B	S.E	Wald	Odds Ratio	p-value
Age of respondents	-0.370*	0.145	6.558	0.691	0.010
Marital status	0.584	1.397	0.175	1.793	0.676
Educational level	2.379**	0.893	7.088	10.794	0.008
Family size	-0.383	0.236	2.625	0.682	0.105
Membership duration	0.758*	0.307	6.087	2.134	0.014
Leadership experience	0.797**	0.280	8.113	2.219	0.004
Leadership training	2.151*	0.976	4.858	8.593	0.028
Existence of paid manager	1.738	1.395	1.553	5.686	0.213
Time availability	1.378	2.365	0.339	3.967	0.560
Working environment	3.651**	1.341	7.414	38.513	0.006
Knowledge of cooperation	2.884*	1.222	5.568	17.886	0.018
Knowledge of management	0.931	2.199	0.179	2.537	0.672
Interest in their leadership	3.411*	1.629	4.384	30.296	0.036
Leadership skill	3.240**	1.117	8.413	25.534	0.004
Income of the family	0.001*	0.001	5.259	1.001	0.022

Note: ** $p < 0.01$, and * $p < 0.05$ significance level

Leadership experience (B= 0.797, $p < 0.01$) has positive and significant effect on leadership effectiveness. It can be inferred from the values of odds ratio that a one unit increase in experience of a leader increases his/her leadership effectiveness by 2.219 units.

Leadership training was found to be the determinant factor for leadership effectiveness. The coefficient for leadership training was found to be positive and statistically significant at five percent level of significance (B= 2.151, $P < 0.05$). The positive relationship implies that the probability of leaders' effectiveness increases as leaders' undergone training on leadership. The odds ratio of 8.593 indicates that other independent variables being constant, the likelihood of leadership effectiveness increases by a factor of 8.593 as leaders' undergone training on

leadership increased by one unit. This means those leaders who have undergone training on leadership have the chance to be effective in leading the cooperative than those who haven't undergone training on leadership.

Working environment has a positive and significant effect on leadership effectiveness. It can be inferred from the values of odds ratio that if the working environment is in a favorable condition the response variable leadership effectiveness will expect to change by 38.513 regardless of other independent variables in the model. More generally, if a leader gets favorable working environment, they can lead their cooperative effectively.

Knowledge of cooperation ($B=2.884$, $p<0.05$) has positive and significant effect on leadership effectiveness. The results of odds ratio indicated that as a unit increase in the knowledge of a leader about the cooperative principles creates a 17.886 unit increase in the leadership effectiveness.

Leaders interest in their leadership position ($B= 3.411$, $p<0.05$) has positive and significant effect on leadership effectiveness. It can be inferred from the values of odds ratio that if leaders' interest in their leadership is increased by one unit, the response variable leadership effectiveness will be expected to change by 30.296 irrespective of other independent variables in the model.

Leadership skill was positively and significantly associated with the leadership effectiveness at an acceptable probability level of significance ($B = 3.240$, $P<0.01$). The positive association implies that experience of a leader from other organization enable him/her to lead the cooperative effectively. The results of odds ratio also showed that keeping other independent variables constant, the probability of leadership effectiveness increases by a factor of 25.534 as the leaders' leadership skill increases by one unit.

Regarding the effect of family income on leadership effectiveness, there is positive and statistically significant relationship observed ($B=0.001$, $p<0.05$). Furthermore, from the values of the odds ratio, it can be inferred that if family income is increased by one unit, leadership

effectiveness will be expected to change by 1.001 regardless of other independent variables in the model.

In conclusion, the major factors that influence the effectiveness of leaders are; age of respondents, educational level, membership duration, leadership experience, leadership training, working environment, knowledge of cooperation, interest in their leadership, leadership skill, and income of the family. Younger, more educated, those leaders who were a member of a cooperative for many years, experienced leaders in the leadership position, leaders who took leadership training and interested leaders are more effective in leadership of a cooperative. Similarly, favorable working environment, better knowledge of cooperation, better leadership skill and better income enables a leader to be effective in their position.

6. Conclusion and Recommendations

Now-a-day in Ethiopia, SACCOs are playing a significant role in solving the socio-economic problems of members as well as non-members. However, most cooperatives are not operating at full capacity and they are highly dependent on the government. This is mainly due to the absence of good management and leadership. This study focused on assessing the leadership efficiency of management committees, factors determining the leadership efficiency in SACCOs and the leadership training and development programs carried out by stakeholders in the study area. The overall findings show that leadership efficiency of management committee in the sample SACCOs is moderate as perceived by the members. However, the leaders themselves rated their efficiency as high by majority of them. The interview with key informants also shows there is a knowledge and skill gap among cooperative leaders, and leaders were not effective in their leadership.

Thus, management committees should improve their leadership effectiveness by increasing their motivation and active participation in the cooperatives and by improving their leadership abilities using different mechanisms like experience sharing from other effective leaders in other cooperatives. Thus, the management committees can acquire experience from other effective cooperative leaders by observing how they were influencing others and the way in which they were acting in their position, etc. In addition, leaders should know that without the existence of active and motivated members the achievement of cooperative goal is impossible.

Based on the findings and conclusion, the following recommendations are forwarded.

- The stakeholders such as policy makers, Cooperative Promotion Office, Government Bureaus or NGOs needs to work in improving the effectiveness of cooperative leaders through drafting and implementing appropriate training and development programs.
- Most leaders have low leadership experience, lacks knowledge on cooperation and management, in addition only few leaders have a high level of interest in their position. Also gap on leadership skills mainly on conceptual and technical skills. Therefore, leadership training programs should be organized for developing the leadership competencies of cooperative leaders in the specific areas such as.....
 - Training on the ideology, principles and values of cooperatives and on aspects of management.
 - Development of competencies in the area of strategic thinking and creating a long-term vision and plans, time management, stress management, problem solving etc. There is also a gap in technical skills such as financial matters and preparation of the budget and should be considered in the program.
 - There is a significant gap in the human skills of leaders though most of them have better skills. The human skills such as the ability to motivate, communication ability, conflict resolution should be considered in the training and development programs.
- Regarding the factors determining the leadership effectiveness age, educational level, membership duration, leadership experience, leadership training, working environment, knowledge of cooperation, interest on leadership, leadership skill, income of the family, younger, more educated, favorable working environment, knowledge of cooperation, leadership skill and better income a significant effect. Therefore, the general assembly should consider these while electing cooperative leaders.

7. References

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