

Leadership in Ethiopia

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BACKGROUND AND BRIEF HISTORY

As part of the Leadership Effectiveness in Africa and the Diaspora (LEAD) project, this chapter presents about culture and leadership experiences in Ethiopia. First, we present a brief background of Ethiopia followed by information on Ethiopian culture and business environment.

As published research papers on leadership practices and business opportunities are highly limited in Ethiopia, the author has made an attempt to incorporate some internationally recognized and broadcasted events to describe the existing business environment and opportunities in the country.

Ethiopia is among the ancient, independent, and historical countries in the world. It is credited with being the origin of mankind. Ethiopia is located in the Northeastern part of Africa known as the “Horn of Africa”.

A powerful friend becomes a powerful enemy. (Ethiopian Proverb)

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The country covers approximately 1.14 million square kilometers (CSA, 2015). Addis Ababa is the capital city of Ethiopia and the diplomatic city of Africa.

The total population of Ethiopia in 2014 was 87,952,000 with 44,204,000 (50.3 %) males and 43,748,000 (49.7 %) females (CSA, 2015). Primary school enrolment reached 85.7 % in 2012-2013. In 2009–2010 there were 200,000 students enrolled in higher education (Deloitte, 2014).

CULTURE OF ETHIOPIA

Ethiopia is a country of diversity. There are more than 80 ethnic groups, each with its own language, culture, and traditions. This shows that it is the home to multitude of ethnicities, cultures, and religions (Karbo, 2013). Amharic is the working language of the Federal Government, while Oromiffa and Tigrigna are also widely spoken. English is taught in schools and it is the main business language (Addis Ababa Chamber of Commerce and Sectoral Association, 2013).

Ethiopia is a country where religious freedom has been exercised for centuries. The dominant religious beliefs in the country are Christianity and Islam. Judaism, Jehovah's Witness, Baha'i, and Paganism are also exercised. Ethiopia is a predominantly Christian country. The majority of Christians are Orthodox Tewahedo, but there are also Catholic, Protestant, and Pentecostal Christians in the country (Karbo, 2013).

In his interview with the *Ethiopian Herald* (Gebre-Medhin, 2015), Professor Issac stated that Ethiopia has been known as a land of tolerance and acceptance. He mentioned: "The ancient Greeks spoke about Ethiopia as a land of justice, tolerance, and hospitality" (Gebre-Medhin, 2015). In noting Ethiopia's ancient civilization, he said, "A Roman writer named Procopius wrote about Ethiopia as one of the greatest three world Empires ..." Professor Issac's summary shows that the spirit of tolerance and acceptance has penetrated the Ethiopian culture (Gebre-Medhin, 2015). Likewise, the reporter of *Mail & Guardian* (Bongela, 2012) wrote that hospitality (*engidatekebay* in Amharic) is at the center of the Ethiopian culture under the theme "Arts and Culture: Warm-Hearted Hospitality Sets Ethiopia Apart". Bongela (2012) stated, "But the thing to return for with the greatest urgency is the country's hospitable people. It is as though Ethiopians have been schooled in being pleasant. Coupled with their sense of humility is a stirring physical beauty".

Alemu (2012, p. 1) described Ethiopians as people with their “own socio-cultural identity”. The following paragraph summarizes their socio-cultural identity:

Ethiopians have their own socio-cultural identity which is passed from generation to generation. Ethiopians have their own language with its writing systems, religious teachings with its philosophy, ethics with its theory, value with its respect, freedom with its dignity, identity with its definition, and country with its absolute freedom and pride with its patriotism. As a result, Ethiopians are always proud of their history, culture, tradition, identity, faith, and values. In Ethiopian history and culture, respecting others and welcoming foreigners is a common cultural value. Ethiopians do not see either white or black people as superior because of their skin color, but instead respect them as any ethnic group.

The above paragraphs show the existence of diversity in terms of ethnicity, language, and religion in the country. Generally, however, diversity is mainly considered as a national beauty in Ethiopia, and the country pays maximum attention to penetrate the idea of celebrating unity in diversity.

The existence of various cultures in Ethiopia necessitates leaders to be cognizant of those differences and try to “understand, acknowledge, and embrace” them into their leadership practices. That is, they have to contextualize their leadership approaches to fit the cultural and religious values of their followers (Baker & Campbell, 2013, p. 3). As researchers have already identified, effective leadership recognizes the importance of culture and takes into consideration cultural values into leadership practices (Hanges, Dorfaman, Shteynberg, & Bates, 2006).

According to Hofstede (2001), Ethiopia was found to be high on power distance (score of 70) meaning people in the societies were not equal. Ethiopia was also ranked high on collectivism (score of 20) and masculinity (score 65), and medium on uncertainty avoidance (score 55). Although this paper could not get recent data on how Ethiopia is currently evaluated on these dimensions of culture, studies show that participative leadership is viewed as a more effective leadership style in societies and organizations that have a more egalitarian (i.e. low power distance) culture practices (Hanges et al., 2006).

CURRENT EVENTS RELATED TO BUSINESS, INVESTMENT, LEADERSHIP

According to the World Bank report of 2013, Ethiopia was found to be the 83rd largest economy in the globe. In its country strategy for development cooperation with Ethiopia for the years 2014–2017, the Ministry of Foreign Affairs of Finland stated that “Ethiopia is driven by its vision to become a middle-income country and carbon-neutral economy by 2025. The vision has been backed by prudent macro-policy management and significant investments in infrastructure. Ethiopia holds a long record of steady economic growth” (Ministry for Foreign Affairs of Finland, 2014).

A recent research by Ekor, Adeniyi, and Saka (2015, p. 1) stated, “The country is considered to have huge but untapped potentials in the Sub Saharan Africa region as well as one of the attractive investments destinations on the continent”. Other authors also identified Ethiopia as one of the fast-growing countries in the world since 2003 and predicted this growth to continue. For example, Assefa, Bienen, and Ciuriak (2013, p. 7) confirmed, “... Ethiopia’s growth prospects remain robust, even on the basis of more skeptical views concerning the actual pace of growth”. Similarly, Atlaw, Teklemariam, and Dong-Geun (2014, p. 2) stated: “The stock of inward FDI in Ethiopia has grown steeply in the past decade ... Several factors can be stated for this success in Ethiopia but the most important determinants are natural resource except petroleum, the presence of high economic growth which gives bright future for firms and the presence of skilled human resource in the country.”

Birhanu (2014) noted that Ethiopia has been taking several measures to attract investment and promote economic development since government change in 1991. Several laws have been issued to provide incentives for investors and regulate investment activities in the country. The latest Proclamation on Investment was issued in 2012 (Birhanu, 2014). These research outcomes may indicate Ethiopia has favorable conditions for investment.

The fact that Africa has a potential to be the hope for the rest of the world was addressed by US President Barack Obama as he visited Kenya and Ethiopia for economic partnerships. President Obama said that regardless of the challenges it faces, “Africa is a place of incredible dynamism, some of the fastest-growing markets in the world, extraordinary

people, extraordinary resilience”. He also added Africa, “has the potential to be the next centre of global economic growth” (AFP, 2015).

As found by the research findings presented in the previous paragraphs and subsequent realization of the existing facts in Africa in general and Ethiopia in particular, the current events in the country seem to be conducive for business and investment opportunities.

The Ethiopian Investment Commission (EIC) encourages people to invest in Ethiopia stating the existence of the following realities in the country: political and social stability, continuously growing economy, excellent climate and fertile soils, strong guarantees and protections, abundant and affordable labor, regional hub with access to a wide market, improved economic infrastructure, and competitive incentive infrastructure. The areas of investment are identified as horticulture, leather shoes and leather products, textile and garments, manufacturing, agriculture, and services (Addis Ababa Chamber of Commerce and Sectoral Association, 2013).

Included in the manufacturing investment opportunities are, agro-processing industry, sugar and related industry, chemical industry, pharmaceuticals industry, metal and engineering industry, ceramic products, and electronics and electrical products. Under the agriculture investment opportunities are cotton plantation, palm tree plantation, rubber tree plantation, and tea and coffee plantation. Similarly, the investment opportunities for services include grade one construction contracting, information and communications technology, four- and above star designated hotels, motels, lodges and restaurants, specialized hospitals, technical and vocational training centers, and power generation (EIC, 2015).

Currently, Ethiopia has introduced Industrial Zone Development. The country has drafted a new Special Economic Zones (SEZs) law based on international best practices, which will guide the governance, development, and operation of SEZs (EIC, 2015). In addition, the Ethiopian Government has shown high degree of commitment to significantly improve the leadership effectiveness of public services at a national level (Duressa & Debela, 2014).

Finally, Ethiopia was accredited as the world’s best tourism destination of the year in 2015 by the European Council on Tourism and Trade (ECTT) on the ground of its peace, socioeconomic and political stability, and unity in diversity (e.g. Firsing, 2015).

LEADERSHIP LITERATURE

The concept of leadership has been discussed for years by different authors. Although authors used different ways in defining leadership, the central idea of leadership revolves around bringing influence in the performance of followers. For example, Stogdill (1974) defined leadership as an interaction between members or a group. His definition encompasses the use of influence. Similarly, Northouse (2010, p. 3) defined leadership as “a process whereby an individual influences a group of individuals to achieve a common goal”.

It is well understood that management and leadership are not one and the same. In comparing differences between leadership and management functions, it is noted management commonly deals with systems, processes, budgets, equipment, and “things,” while leadership focuses on people, and that a leader articulates a vision, empowers, uses influence, deals with change and the future (Kotter & Schlesinger, 1992; Lunenburg, 2011). As all these activities are essential, successful organizations need both management and leadership. Although people in all hierarchical levels can have influence and play a leadership role, it is critical for people at the top of the organizational echelon to have leadership capabilities for superior organizational performance.

This part of the chapter presents specific indigenous leadership examples that have been successfully implemented in several parts of Ethiopia and the outcome of research papers related to leadership experiences in Ethiopian organizations. It starts by presenting some indigenous or traditional leadership experiences of some community leaders. This will be followed by leadership practices based on relevant research studies both in the public and private sector.

Community Leadership in Ethiopia

Several evidences of indigenous leadership practices are reported to exist in Ethiopia. Ethiopia is well known in implementing modern fundamental concepts of good leadership and governance starting from ancient times. For example, there are parts of Ethiopia that have long established the rule of law in their indigenous traditional political leadership systems (Tadesse, 2013). The following sections provide some insight about the indigenous community leadership foundations in Ethiopia.

The Gada Governing System and the Sera

The Gada governing system, which has been in place for the last five centuries (Tadesse, 2013) by the Oromo community, can be cited as a good example of exercising the rule of law, discharging moral responsibility, and good governance in political leadership. Furthermore, an indigenous or customary system of governance in the areas of conflict resolution and peace formation called *sera* (in its various forms) is documented to exist in several parts of Ethiopia for centuries. This system of conflict management has been exercised by the Gurage people of southwestern Ethiopia (e.g. YajokaQicha, Gordanna Sera, YaSelte Sera, Malga Sera, Dambu, YaFaragazaña Sera, YaSenana Sera). Similarly, other regions in Ethiopia (e.g. Kambatta, Walayta, Gamo, and Gofa) have been implementing a well-established customary institution of governance systems that are similar to *sera*. The term *sera* implies the conclusion of an agreement between two different parties or communities and the prevailing of peace and reconciliation (Zewdu, 2002). Rule of law, discharging moral responsibilities, and good governance are manifestations of effective leadership in all sorts of organizations whether private, public, or non-governmental organizations. These are remarkable qualities of ethical corporate and political leaders should exercise to achieve and surpass organizational goals.

The Awra Amba Community

Another indigenous example of good community leadership is that of Zumra Nuru, who has been seriously struggling for the realization of his vision of building a justice community with great commitment since 1972. He has got the wisdom of creating a strong community and many followers because of his logical reasoning without attending formal education. He leads his community under “Treat others the way you want to be treated” motto. His leadership capabilities are well recognized to an extent of receiving honorary doctorate from Jimma University, one of the public universities in Ethiopia. In addition, the community of Awra Amba (a small community living in south Gondar, Amhara region in Ethiopia that was founded and has been led by Nuru) gained a name of goodwill ambassador by the Interfaith Peace-Building Initiative (IPI) for its role to build a just society (Alemnew, 2012).

Nuru is considered as a charismatic leader by many. In his interview with the *Ethiopian Herald*, he said that he, “started to ask about equality

of women, children's right, caring for elders and refrained from bad speech and deed" when he was a kid. The issue of gender equality, respecting the right of children, helping the needy, and preventing oneself from bad speech and evil actions are still his principles. Dignifying human kind by reaching for people when they are in need of help and approaching them with respect and mutual understanding is the ideology of Nuru's leadership life. He started to move around several regions of the country to share his idea (vision) when he was 13 years old (Alemnew, 2012).

He has now become a role model for the people of Ethiopia in combating backward traditions. Many have been visiting the community even from the USA and Europe being informed about the community through the mass media. The community attracted about 5000 local and international tourists as of 2011-2012 (Alemu, Belay, Padmaja, & Gessesse, 2013). According to Halpern (2007), the community is described as an exemplary for communities in Ethiopia and beyond for the lesson it provides in relation to its gender equality, work ethic, and its social security system.

According to Kuhnert and Lewis (1987), transformational leadership involves shifts in the beliefs, the needs, and the values of followers. As his authority stems from the community's belief in his vision and exemplary characteristics, this is a proof of his charismatic leadership position. His capabilities to transform the community toward the principles (values and ethical standards) he envisioned and the strong emotional bonds with his followers can be considered as examples of his transformational leadership capabilities.

This story tells the significance of creating and articulating a vision, owning it passionately, and sharing it relentlessly for its realization and the magnetism role charisma plays in attracting followers.

The Irob Community

Irob people, who are found in Tigray region in Ethiopia, used to be pastoralists. It was only since few generations they have started to shift their attention to cropping. As their landscape is naturally very rocky with steep slopes and deep narrow valleys, they had little land that was suitable for cropping. The Irob community applied an indigenous engineering technique called *daldal* originated by two Irob men—GhebrayHawku and KahsayWaldu—at different times without having much appreciation from the community. *Daldal* is a step-like terrace dam to capture water and

silt so that fields would be created to make crops grow on them (Waters-Bayer, 2003).

Later on, a person named Zigta Gebremedhin was found to be the innovator and leader of this best practice. Zigta Gebremedhin started to apply the *daldal* in 1957. He closely worked with his community to teach them what he knew. Zigta's leadership qualities have been witnessed as hard working, forward looking, persistent, concern about his community and its resources, talented, and a man of action. For him, laziness is a sinful act. Finally, he was recognized as local leader because of his innovation, consistent application, persistence, and success. The local leadership status was conferred to him by his ability rather than by heredity. The Irob people followed his footprints because of the knowledge and skills he had to the *daldal* practice. The practice allowed the people to remain in the land in which they were strongly tied culturally and emotionally. The practice of *daldal* has spread to other parts of Ethiopia and neighboring areas of Eritrea, and "this knowledge is documented in several articles and in a book" (Waters-Bayer, 2003).

Zigta's leadership capabilities can be associated with a type of leading through expert power. Expert power in leading is said to be apparent when it manifests itself in information acquisition, in having knowledge and wisdom, in exercising good decision, in making sound judgment, and in having accurate perception of reality (Yahaya et al., 2011).

The aforementioned Ethiopian leadership examples may indicate the existence of some common grounds in leadership behaviors and styles. The leadership qualities that are expected to be manifested by effective leaders such as being visionary, knowledgeable, role model, ability to inspire followers, persistence, and problem solving are observed in the aforementioned traditional leaders though some have never been to school.

Several researchers have made an attempt to conduct research in the areas of leadership taking samples from several Ethiopian organizations. Leadership research conducted in the public sectors, private sectors, NGOs, schools, leather companies, and hospitals are presented and discussed in the following paragraphs.

In their study about transformational leadership and its relationship with subordinate satisfaction with the leader, Shibru and Darshan (2011) took a sample size of 145 valid respondents from a randomly selected 10 leather companies. The respondents were made to evaluate the behavior of their immediate leaders using an adapted multifactor leadership questionnaire (MLQ). They found that all components of transformational leadership

to be significantly correlated with subordinate satisfaction. Their regression analysis showed that transformational leadership explained 40.6 % of the variance in subordinate job satisfaction. They confirmed transformational leadership as an important leadership style to enhance subordinate satisfaction in the leather industry. Their findings are found to be consistent with what the global literature identified because as the practice of transformational leadership increases, employees job satisfaction also increases (e.g. Fernandes & Awamleh, 2004; Omar & Hussin, 2013; Sadeghi & Pihie, 2013; Wahab, Fuad, Ismail, & Majid, 2014).

Roul (2012) conducted to determine the practice and problem of principals' leadership styles and teachers' job performance in secondary schools of North Shoa zone in Ethiopia. The researcher applied stratified random sampling technique to select 10 out of 30 secondary schools found in the zone, availability sampling to select principals and department heads, and systematic random sampling to identify teacher respondents. Data were collected through questionnaires, focus group discussions, and interview. The results of the study showed principals mostly used laissez-faire leadership style. The author recommended the application of both laissez-faire and democratic leadership styles and the discouragement of autocratic leadership style for better performance of the schools. Most research findings recommend democratic leadership style to be productive in educational institutions (e.g. Adeyemi & Adu, 2013; Machumu & Kaitila, 2014; Okorojo, Anyanwu, & Ukpere, 2014). Roul (2012) is cited in text but reference has not been provided. Please provide the reference in the reference list.added

In a study conducted on 175 non-supervisory level nurses working at Jimma University Specialized Hospital, Nigussie and Demissie (2013) used the MLQ and Minnesota satisfaction questionnaire (MSQ) to collect data. They investigated the relationship between the leadership styles the head nurses used and the nurses' job satisfaction. The results showed the respondents were satisfied with head nurses who were transformational leaders than with transactional leaders. The researchers concluded that "transformational leadership style promoted job satisfaction of nurses leading to improved performance and reducing the turnover of nurses" (p. 56). This is consistent with what Shibru and Darshan (2011) concluded as a result of the findings they obtained from the study they conducted in the leather industry as presented previously.

A study on the perceptions of women leaders' capabilities was conducted by Tsegay (2012). The study emphasized on three key areas of

leadership: Leadership qualities, type of power they used, and their leadership performance. He took a sample size of 45 women organizational leaders: 15 each from NGO, private sector, and public sector by applying purposive sampling technique. The specific findings of the three leadership areas show that private sector leaders possessed the leadership qualities better. This was followed by NGO leaders and then by the public sector leaders. With regard to individual and group performance, NGO leaders were found to use maximum power of the person degree followed by private sector leaders and then by the public sector leaders. In addition, NGO leaders were able to work well with and through people followed by private and then by public leaders. Overall, the findings showed that NGO women leaders generally perceived better overall leadership performance, followed by private sector leaders and then public sector leaders. They attributed the difference in the perception of leadership capabilities of the respondents had to the levels of their educational qualification, overall work and leadership experience, and opportunity for leadership trainings.

Duressa and Debela (2014) studied the perceptions of leaders in public service organizations while they investigated leadership effectiveness in public service organizations of Ethiopia. The authors stated that the government of Ethiopia had launched several initiatives to show its commitment to improve public service leadership. Although public service leaders promoted a transformational agenda to achieve the Growth and Transformation Plan (GTP) of the country, the researchers found some deficiencies in its implementation. Their key finding was the emergence of a demanding society for improved services and leadership effectiveness that lags behind the society's demand.

The issue of transformational leadership and its application in the public service organizations of Ethiopia was also investigated by Duressa and Asfaw (2014). They looked at two regions and one city administration in Ethiopia. The respondents of the study were leaders, employees, and customers. They noted the transformational agenda advocated by the public service leaders to meet the GTP by implementing various reform tools such as Business Process Reengineering, Balanced Scorecard, and Development/Reform Army. Although improvements were there in the public service organizations, the performance of public service organizations were not found to the level expected by the government and the customers. According to the authors, the creation of the demanding society has been necessitating leaders to transform their organizations to meet those demands by setting clear vision and communicating it properly to

concerned parties (Duressa and Asfaw 2014). The creation of a demanding society can be viewed positively as it makes organizations to strive for more and better results. As leadership is a process, it can be enhanced through training and experience and this helps public service providers to get closer to the society's expectation.

As far as the issue of women in leadership in Ethiopia is concerned, there is evidence where some women played a significant leadership role starting in ancient times. For example, Empress Taitu (the wife of Emperor Minilik—1877–1913) is always mentioned in the history of Ethiopia for her unforgettable contributions by acting as the chief advisor of the emperor especially in the area of foreign relations. In addition, she was a high-profile woman for her patriotism and uncompromising stand for Ethiopia's independence (Hora, 2014).

Nowadays, there has been significant progress in the percentage composition of women in the national parliamentary committee. Women are observed presiding as higher officials in the house of peoples' representatives. According to the report by Billene (2014), citing UNECA's African Women's Rights Observatory, women represented 27.8 % of House of People's Representatives (152 parliamentarians) and 16.3 % of the House of Federation (22 women) in Ethiopia. In addition, this is the period where Ethiopia has had its first female to reach the heights of a deputy prime minister (Her Excellency Aster Mamo). She is serving as civil service minister and good governance and reform cluster coordinator with the rank of deputy prime minister (Billene, 2014).

Likewise, there are several successful Ethiopian women leaders in the corporate world. Some examples include Dr. Eleni Gabre-Madhin (the founder and former leader of the Ethiopian Commodity Exchange, an internationally recognized thought leader on commodity exchanges and rural development in Africa, and CEO of eleni LLC), Mrs. Mesenbet Shenkute (former president of Abay Bank), Mrs. Mulu Solomon (former president of the Ethiopia Chamber of Commerce and Sectoral Associations, founder and owner of Right Vision International Plc, an export, training and consultancy firm and well-regarded motivational trainer), and Mrs. Solome Tadesse (first general manager of Ethiopian Radio and Television Agency; founding executive director of the Network of Ethiopian Women's Associations; government spokesperson, in Washington DC [1992–1998] and Addis Ababa [1998–2000]; leader of famous *ande birra le andewogen* [meaning "1 dollar to 1 needy"] campaign to raise funds for famine victims in 2003; renowned women in leadership training and motivational speaker).

To the majority of Ethiopian women, however, assuming leadership positions is not something simple and smooth. As a result, under-representation of women in various levels of executive and political leadership is clearly observed. A study conducted by Okock and Asfaw (2014) revealed the under-representation of women in leadership and managerial positions in Ethiopia. This shows only few women in Ethiopia assume leadership positions like their counterparts in the world especially like those in the developing nations.

INSIDERS' AND OUTSIDERS' PERSPECTIVES

Some names have been disguised at the request of the interviewee.

This part of the chapter presents the results of interviews with two foreign leaders and two Ethiopian leaders about the leadership experiences they had and their suggestions for other leaders. Participants to this interview were those who were found to be willing to spare their time with the author. Women leaders are not included in the interview because the author was not successful in securing an appointment within the project's time limit.

The interviews were conducted face-to-face using an interview guide. The summary of the interview was sent through e-mail to the interviewees to check whether their ideas are captured properly and to forward their comments if any. This procedure provides validity of the interview findings.

As this part dwells on the perception of the interviewees, an effort was not made to reconcile their personal insights. This approach is believed to help the reader to make his or her own evaluation on the ideas forwarded by the interviewees.

Outsiders' Perspective

The foreign interviewees were asked about the extent of their international experience, the leadership similarities and differences they observed between their home country and that of Ethiopia, their perceptions of the leadership style that is most effective in Ethiopia, the leadership challenges they faced in Ethiopia, and what advice regarding leadership style they had for other foreigners coming to Ethiopia. The summary of their responses is presented next.

Mr. Sai's Leadership Experience: Mr. Sai, a 43-years-old male Indian, had been working and leading in five African countries (Kenya, Tanzania,

Uganda, Nigeria, and Ethiopia) for about 22 years. He had been serving as managing director of a leading communications company since his arrival in Ethiopia. He had been supervising about 320 employees on all of his projects.

He expressed the leadership similarities he observed in Ethiopia with his country by emphasizing on the personality of both leaders and followers. He stressed that Ethiopians are highly proud of their country as that of Indians, and that they normally have built-in leadership qualities. He said Ethiopians are truthful, honest, dedicated to work, and talented as well. He especially admired the knowledge of the younger generation and their aspiration to grow. He stated the people whom he met in different offices especially those at Ethio telecom (the sole telecommunication service provider in Ethiopia) and Ethiopian leaders at several offices to have good leadership qualities with much respect to people. The leadership qualities he observed include high communication skill, capacity in the position assumed, knowledge on the job, good interaction and taking the people well along with them, and pleasant personality.

Though he left India when he was 21, he had been collaborating with several Indian strategic business partners in some consultancy projects, and this partnership gave him an opportunity to learn about the competency of the Indian leaders with whom he came into contact. For him, general leadership qualities do not come by reading a book only. He gave the example of the current prime minister of India as a person who succeeded to this position from where he used to sell tea in railway station (this information is verified from the web *India Today*, June 30, 2013). He believed in having an excellent personal interaction, respect for all people, living an exemplary life or becoming a role model, excelling the people down in the hierarchy and help them to excel, leaving a good footprint as essential elements of leadership. He believed this is exercised in the leaders he observed in Ethiopia. He said he didn't face any challenge at all.

His advice to foreigners coming to Ethiopia is to first and foremost understand Ethiopia very well. He said that Ethiopian people have high self-respect and respect for their own culture. They also respect others. Foreign investors should learn to respect the people and their culture first if they want to gain respect. He believes this is an important step that channels everything in a proper way. He gave as an example that if any foreigner wants a handshake, he or she should extend his or her hand first. He further noted that Ethiopians do not accept dictatorial leadership. They want to be free; they respect their freedom. Therefore, leaders

should not inject fear on their followers. He perceived democratic or participative leadership style as most effective in Ethiopia.

Mr. Adisa's Leadership Experience: Mr. Adisa is a 56-year-old male financier of an Israel origin, had been an investor in Ethiopia for the last eight years. During his stay, he had been serving as the general manager of his two companies. The first one was doing biofuel business in the agriculture sector, and the second one was in gold mining business. He had been ultimately supervising about 250 employees in the agriculture sector and 5 employees in the gold mining sector. He had an international experience in more than 12 countries.

In explaining the similarities he had observed in leadership practices between his home country and Ethiopia, he stressed the human resource factor as the most important and complicated issue. Finding good and reliable people with whom to work and getting the best out of the team with whom you work was not an easy task for him. In addition, the fact that everything takes time, especially more in Ethiopia, was also a common challenge as per his experience. He stated there was a huge leadership difference between his home country and Ethiopia because in Ethiopia the focus was on regulation and administration. He remarked it was necessary for him to know how to manage them.

With regard to his leadership challenges experienced, he listed low level of subordinate delegation practice by top management, the tendency of employees to be abided by their job description, and to be very well planned was observed to make them go by the book. As the employees only do what they were supposed to do, there was lack of flexibility.

The perceptions of the leadership style that was most effective in Ethiopia, especially in the industries in which he was in, is to keep distance and show that the leader is a strong person because most interpret your being nice as being a weak person. As a result, he recommended more of the autocratic type of leadership.

The advice he has for foreigners who want to come to Ethiopia regarding leadership style is to keep distance, to keep everything in a clear definition, to be patient and not to give up. If foreigners are able to do that, they can benefit from the huge investment opportunity in Ethiopia. To him the Ethiopian people are nice, they are not aggressive, and they want to learn. Moreover, he appreciated that there is peace, political stability, and self-security. There is high potential to work and succeed in many areas such as mining and agriculture for which investors should be encouraged to come and do business.

Insiders' Perspective

Local leaders were asked to reflect on the description of their local leadership style, the leadership similarities and differences they observed in foreign visiting managers, what the most effective leadership style is for Ethiopia, what advice regarding leadership style they would give to foreigners coming to Ethiopia, and emerging leaders in Ethiopia. The summary of their responses is presented in the following subsections.

Mr. Jabari's Leadership Experience: Mr. Jabari is a 36-year-old male Ethiopian educator who had been serving as a dean of a business school. He had been supervising about 300 full-time academic and administrative staff.

He described the local leadership of Ethiopia to be mostly transactional that emphasized more on control, follow up, tight supervision, less empowerment, pessimistic approach, and resource-scarcity mentality. Most leaders usually seemed to have less confidence on their followers and this was observed by absence of subordinate empowerment which led to delayed decisions.

As per the experience he gained from reading books and watching films, western (foreign) managers usually have authority to boldly say "You are hired" or "You are fired!" They usually have command on many resources. Similarly, they are also accountable for what they do because they take full responsibility for the consequence of their actions. In Ethiopia, decisions are usually done on committee basis. According to his observation, many leaders may not have confidence to make decisions. Equally, leaders were not that much accountable for their actions. For him, real leaders are visionaries and inspirational. He noticed many so called leaders not to have their own vision and their own flavor.

He perceived people-oriented (sympathizing) leadership style as most effective in Ethiopia. As there are many things employees have to fulfill and many challenges they should overcome in their lives, understanding human problem is critical. Leaders should address the economic, social, and other problems of their employees so that employees will develop feeling of belongingness toward their organizational goal achievement. This approach helps leaders to win the hearts and minds of their followers.

The advice he gave for foreigners coming to Ethiopia regarding leadership style is to apply more of servant leadership style. If they serve their employees well, their employees will be committed to serve them. Foreign leaders would win if they serve by giving priority to others, being sacrificial, taking blames and giving credit to others.

The advice he has to emerging leaders in Ethiopia regarding leadership style is for them to apply servant leadership style. In addition, he emphasized the importance of power in leadership. Therefore, he recommended emerging leaders to have proficiency in information technology, acquire as much skill as possible, and to be well read or to accumulate as much knowledge and skill in the areas they lead. They have to be a person of integrity and good character. He finally remarked that all leaders should understand the underlying socioeconomic facts in Ethiopia. As there is high dynamism, it is important to understand the country and its people to bring paradigm shift and surprises to take the country one step forward.

Mr. Carmichael's Leadership Experience: Mr. Carmichael is a 42-years-old male, is a president with oversight for 1200 employees.

He described the prevalent leadership style in Ethiopia as something that ranges between autocratic and participatory. For him, many leaders seem to be autocratic and status conscious. On the other hand, followers are observed to define leadership the way the leader acts. There are employees who consider tight control as a sign of strong (proper) leadership. Such employees may abuse leader's simplicity because they wrongly perceive leader's considerateness as leniency or incapacity.

He stated that there is a difference between the leadership style of Ethiopia and what he observed as the style of some European leaders. According to his observation, those foreign leaders were highly job centered, and they didn't tolerate weak performances both quality and punctuality wise. He noted personal affairs have no places in the work environment. Non-performance as per the set standard is not compromised, and employees are well aware of it. In Ethiopia, it is more of relationship based. In addition, there is no well-established performance management system in place in general. It is also challenging to separate work from personal relationships.

Mr. Carmichael considers situational leadership style in the context of transformational leadership to be the most effective leadership style in Ethiopia. He stated Ethiopia has passed several changes in its history. This includes three types of changes in government leadership: the emperor's monarchy era until 1974, followed by the socialist state governed by a military junta called *derg* until 1991, and currently the Ethiopian People's Revolutionary Democratic Front (EPRDF). According to his observation, employees from the older generations seem to generally admire bureaucratic or autocratic leadership due to their feudalism mind-set while employees from the current generation generally believe in reasoning out and convincing them. That is, younger generations admire consultative or

democratic approach. Therefore, for him situational leadership style where the leader exercises flexibility based on several relevant job-related factors is advisable type of leadership in Ethiopia.

He advises foreigners coming to Ethiopia to understand the Ethiopian context before exercising their own leadership style. They have to take time to learn the people and their culture with due respect. They need to realize that Ethiopians have high self-respect. It does not matter for Ethiopians whether the leader is black or white; local or foreigner. It would be advantageous if foreigners come to Ethiopia without branding themselves with high levels of superiority. It is also important to specifically understand the personality of the individuals whom they lead and the organizational culture with sincerity. They also need to work seriously on team formation and team building.

Mr. Carmichael's advice to emerging leaders in Ethiopia with regard to leadership style is that leadership is not about learning management and assume a managerial position. He stressed leadership is not a profession and it does not come by assignment; it is a role to play. He stated that emerging leaders need to recognize it takes a vision to be a leader, and that leadership is solution oriented; not benefit oriented. He added, visionaries see the invisible, they see for others, and they go by inspiration not by a book. Unlike managers who start tasks from their heads, leaders start work from their heart. Emerging leaders need to always ask themselves whether they are managing or leading. He recommended emerging leaders to usually apply participatory type of leadership style without undermining the application of situational leadership style whenever necessary. He remarked the necessity for leaders to learn to allow their followers to express their ideas freely, to bring influence in a positive way, to say "No" whenever necessary, and to make employees adhere by the chain of command whenever appropriate.

In summary, all the interviewees witnessed the strong national and personal pride Ethiopians have. They also stressed that Ethiopians are hospitable and respectful people; they like foreigners. As far as the efficiency they have on the job, most of the interviewees perceived Ethiopian leaders and their follower as mainly knowledgeable, talented, dedicated, interactive, and honest. The advice the interviewees gave to foreigners who want to come to Ethiopia for investment was for them to first learn about the culture of the country and its people and then to respect them. The leadership styles suggested by most of the interviewees were participative,

situational, transactional, and servant leadership. While some also indicated the necessity of exercising some degree of autocratic leadership as some employees may abuse other leadership styles. Getting the best out of one's team and bureaucratic bottleneck in some institutions was mentioned by some as challenges faced when doing business in Ethiopia. However, they were highly motivated to encourage other investors to come to Ethiopia and do business because of the huge investment opportunities prevailing in the country. They identified the existing peace, political stability, self-security, and the friendly nature of the people as reliable preconditions for running a successful business in Ethiopia.

SUMMARY

Ethiopia is an ancient and historical African country that has never been colonized. The country has more than 80 ethnic groups, each with its own language and culture. Among others, Ethiopian is known as a land of hospitality. There are effective indigenous leadership practices in several communities of Ethiopia. Research papers in Ethiopian public, business, and NGO organizations indicate the applications of different styles of leadership: transformational, transactional, democratic, laissez-faire, and autocratic. Interviews with two foreign leaders indicate the existence of attractive investment opportunity in Ethiopia. One of the foreigners recommended the application of democratic leadership while the other more of autocratic leadership as best style in their areas. The two Ethiopian leaders interviewed stressed the appropriateness of situational and servant-leadership styles. All the four leaders advised foreign leaders who want to invest in Ethiopia to first understand and respect the people of Ethiopia and their culture. They all noted Ethiopians have high self-respect and respect for others.

The above discussions imply that Ethiopia has proved itself to be one of the fastest growing economies in the world. The double-digit economic growth, the high investment in infrastructure, government's commitment to attract foreign domestic investment in the country, the favorable socioeconomic conditions, and political stability that exist in Ethiopia are expected to create good business environment for investors. Although facing some challenges is considered normal, the existences of such favorable conditions have the capabilities of lessening the leadership hardships of foreign investors.

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