



Adaptive Leadership Styles and Organizational Performance: Evidence from Local NGOs in Ethiopia

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Abstract: The objective of this study was to examine the influence of leadership styles on the performance of local NGOs in Ethiopia. A mixed-method design, combining descriptive survey and correlational approaches, was employed. Data were collected through structured questionnaires administered to 276 Chief Executive Officers (CEOs) and 199 board chairpersons from systematically sampled local NGOs. Responses were analyzed using SPSS through descriptive statistics, correlation, and regression analysis. The results demonstrate that leadership styles significantly influence organizational performance. A key contribution of the study is the identification of a contextually adaptive blend of leadership styles as the most effective approach. While transformational leadership emerged as the predominant style, it was complemented by limited transactional practices and moderate use of laissez-faire elements, applied contingently to address situational demands. The study concludes that leadership style is a critical determinant of performance in Ethiopian NGOs. The most effective approach is not a single, dominant style but rather a flexible combination of transformational, transactional, and laissez-faire leadership tailored to context. Given the cross-sectional design and reliance on internal stakeholders, future research should adopt longitudinal approaches, include external stakeholder perspectives, and extend the scope to international NGOs. This research contributes to leadership scholarship by moving beyond universalist models to propose a contingency framework for leadership optimization in developing economies, thereby enriching discourse on adaptive leadership. Practically, it offers NGO leaders and policymakers an evidence-based blueprint for cultivating agile leadership practices that strategically blend styles to enhance organizational effectiveness, stakeholder trust, and social impact.

Keywords: Leadership styles, Transformational and Transactional leadership, Laissez-faire, NGOs, Ethiopia, Organizational performance

1. Introduction

Non-Governmental Organizations (NGOs) play a central role in socio-economic and environmental development worldwide by bridging gaps left by public and private service delivery. In Ethiopia, NGOs contribute significantly to education, health, agriculture, and natural resource conservation (Ariti et al., 2018). These organizations operate on multi-million-dollar budgets funded by diverse sources, including international donors and private contributions, and deliver services through humanitarian aid, capacity building, and awareness campaigns (Kefa & Iravo, 2018). Despite their importance, the effectiveness of NGOs is often undermined by leadership challenges. As Daud (2020) observed, many NGOs in Eastern Africa struggle with a shortage of experienced, ethical, and committed leaders. Leadership competence is a decisive factor in determining the quality of programs and services, and weaknesses in leadership capacity can hinder fundraising, governance, and overall program delivery.

Leadership is, therefore, a critical determinant of organizational success. It provides vision, guidance, and motivation, influencing job satisfaction, productivity, and overall performance (Madanchian et al., 2016; Knies et al., 2016). However, leadership styles vary in their effects. While effective leadership enhances motivation and organizational outcomes, inappropriate styles can demotivate followers and reduce performance (Gomathy et al., 2023; Ye et al., 2022). Hence, understanding which leadership styles are most effective in particular contexts remains a key concern.

Leadership styles represent different approaches to managing and motivating followers. The literature identifies several key styles, including autocratic, democratic, laissez-faire, transformational, and transactional (Bass & Riggio, 2006). Autocratic leaders make decisions unilaterally, whereas democratic leaders emphasize participatory decision-making (Woods, 2020). Laissez-faire leaders delegate authority with minimal input (Cilliers et al., 2008). Transformational leaders inspire followers toward shared goals through vision and motivation (Burns, 1978; Gomathy et al., 2023), while transactional leaders emphasize clear goals, rewards, and sanctions (Alqahtani, 2020).

Empirical studies consistently highlight the influence of leadership on performance. For NGOs, transformational leadership has been associated with inspiring employees to go beyond self-interest, thereby improving motivation, job satisfaction, and productivity (Dinbabo, 2003; Gomathy et al., 2023). Transactional leadership also plays a role, particularly in enhancing readiness for organizational change and accountability (Yalew, 2016; Kassaye, 2018). By contrast, autocratic and laissez-faire leadership are generally linked with weaker outcomes (Gomathy et al., 2023).

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In Ethiopia, prior studies reveal a preference for transformational leadership within NGOs (Yalew, 2016). However, leadership effectiveness overall remains inadequate to transform organizations into globally competitive institutions (Duressa & Debela, 2014). Some shortcomings have been attributed to leaders' overreliance on personal influence rather than adaptive styles (Tsegay, 2013). While theory suggests that effective leadership may require a blend of styles (Khajeh, 2018), existing research has not identified what this optimal combination looks like in the Ethiopian NGO context.

Thus, a clear research gap emerges: although individual leadership styles have been examined, little is known about how a combination of transformational, transactional, and laissez-faire leadership styles interacts to influence NGO performance in Ethiopia. Misapplication of styles in inappropriate contexts can hinder outcomes, but the optimal style mix remains unclear.

This study addresses this gap by moving beyond single-style analysis to investigate the combined effect of transformational, transactional, and laissez-faire leadership on the performance of local NGOs in Ethiopia. Specifically, it seeks to determine which mix of styles is most effective in overcoming context-specific challenges such as governance dynamics, funding constraints, and the balance between inspirational vision and structured accountability. Accordingly, the study advances the research question: *What is the optimal combination of leadership styles, and how do they interact to drive the performance of local NGOs in Ethiopia?*

By addressing this question, the study contributes both theoretically, by extending contingency and full range leadership models into a developing economy context, and practically, by providing NGO leaders and policymakers with a context-sensitive framework for adaptive leadership.

2. Literature Review

2.1. Theoretical Background

This study is guided by the Full Range Leadership Model, developed by Bass and Avolio (1990). The model conceptualizes leadership as a lifelong developmental process shaped by both structured and unstructured experiences. Unlike earlier leadership theories that emphasized efficiency and productivity, this framework adopts a holistic perspective by integrating multiple styles of leadership. According to Bass and Riggio (2006), all leaders display varying degrees of transformational, transactional, and laissez-faire behaviors. Proponents of the model argue that leaders who can flexibly balance these styles across situations, challenges, and time are the most effective (Vilhauer, 2018).

Bass and Avolio (1994) further emphasized that leaders rarely rely on a single style; rather, effectiveness depends on their ability to adapt the most appropriate behaviors to the context. Vilhauer (2018) outlines three dimensions of this model: the frequency with which a style is used, the effectiveness of that style, and its level of activity or passivity. Despite its strengths, critics highlight a major limitation: the assumption that leaders can fluidly switch between styles. Since leadership behaviors are often deeply ingrained, a leader with strong transactional tendencies may find it difficult to authentically adopt transformational traits when required (van Knippenberg & Sitkin, 2013).

Transformational leadership was first introduced by Burns (1978) and later expanded by Bass (1985). It emphasizes intrinsic motivation, ethical values, and follower development, making it particularly relevant in uncertain and resource-constrained contexts (Al-Yahya, 2009). Transformational leaders articulate a compelling vision, act as social architects by shaping organizational culture, and foster trust, collaboration, and empowerment (Bennis & Nanus, 1985). Their focus is on inspiring strengths rather than dwelling on weaknesses.

Transactional leadership differs in its reliance on structured exchanges between leaders and followers. It focuses on compliance through contingent rewards and management by exception, using both reinforcement and corrective feedback. While transactional leaders secure short-term objectives through accountability, they are less concerned with follower development. In contrast, transformational leadership fosters deeper trust and loyalty, encouraging followers to perform beyond expectations (Ciorciari, 2009). Transformational leadership is often associated with four key factors: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1985).

Laissez-faire leadership represents the most passive form of leadership, characterized by minimal involvement in decision-making, lack of direction, and delayed responses to organizational problems (Cilliers et al., 2008). Although it allows employees autonomy, this style is generally associated with ambiguity and weak performance outcomes.

While the Full Range Leadership Model offers a useful framework for classifying leadership behaviors, it is not without critique. Beyond the challenge of switching styles, it has been criticized for underestimating the role of personality traits and organizational culture in shaping leadership behaviors. To justify its selection for this study, it is important to compare it with other models. Unlike Servant Leadership (Greenleaf, 1977), which prioritizes follower growth and well-being, the Full Range model is more outcomes-oriented, focusing on organizational performance. Compared with Path-Goal Theory (House, 1996), which prescribes leader behaviors based on situational contingencies, the Full Range model emphasizes a broader repertoire of leader traits and behaviors. Finally, while Authentic Leadership (Avolio & Gardner, 2005) overlaps with transformational leadership in stressing values and inspiration, it emphasizes self-awareness and transparency as critical to leader effectiveness, especially in trust-dependent sectors such as NGOs.

The choice of the Full Range Leadership Model for this study is therefore justified by its versatility. Its multi-dimensional nature enables investigation into which specific behaviors, such as inspirational motivation or contingent reward, are most effective in the Ethiopian NGO sector. In a context where leaders must simultaneously inspire followers (transformational), ensure accountability to donors (transactional), and delegate effectively to technical experts (laissez-faire), this framework provides a structured lens to analyze the complex and adaptive leadership demands of local NGOs.

2.2. Empirical Literature Review and Research Hypothesis

Empirical studies consistently affirm that leadership styles significantly influence organizational performance, although the effectiveness of any single style remains mixed and context-dependent (Kelly & MacDonald, 2019; Sudha et al., 2016; Yukl, 2012). Within the non-profit and NGO sector, and particularly in Sub-Saharan Africa, the application of the Full Range Leadership Model demonstrates important nuances.

In Kenya, for instance, transformational leadership behaviors, such as inspirational motivation and individualized consideration, have been shown to enhance employee commitment and organizational citizenship behaviors, especially under conditions of high uncertainty (Abasilim, 2014; Rehman et al., 2012). Similarly, in Ethiopia, Dindabo (2016) found that transformational leadership enabled NGO employees to exceed performance expectations by appealing to their higher-order values and sense of mission. These findings suggest that leadership style is not simply a managerial preference but a strategic determinant of organizational outcomes.

Other studies emphasize the role of transactional leadership. While often seen as less inspiring, its contingent reward mechanisms have proven valuable for ensuring accountability and achieving measurable targets. Tadele and van Loon (2023), in a study of Ethiopian public service organizations, observed that reward-based exchanges were highly effective in meeting donor reporting requirements and delivering short-term outcomes. This evidence highlights that transactional elements, when strategically applied, can complement transformational behaviors in sustaining NGO performance.

Conversely, laissez-faire leadership has been almost universally linked to negative outcomes such as role ambiguity, workplace conflict, and low job satisfaction (Kassaye, 2018). These effects are particularly detrimental in resource-constrained environments such as Ethiopian NGOs, where direction, oversight, and accountability are essential.

Despite these insights, most prior studies remain dated, focused on for-profit organizations, or treat NGOs as a homogeneous category without accounting for local governance and cultural dynamics. This creates a critical research gap: there is limited context-specific evidence on how the full range of leadership styles collectively influences performance in Ethiopian NGOs (Yalew, 2016). Addressing this, the present study examines the overall effect of leadership styles on organizational performance within local Ethiopian NGOs.

Based on this review, the following hypotheses are developed:

H₀: Leadership styles have no statistically significant influence on the performance of local NGOs in Ethiopia.

This null hypothesis reflects the assumption that the type of leadership style adopted does not affect NGO performance, implying that performance outcomes are independent of leadership behaviors. Testing H₀ is important to establish whether the variation in performance can be statistically attributed to leadership styles.

H₁: Leadership styles have a statistically significant influence on the performance of local NGOs in Ethiopia.

The alternative hypothesis is grounded in prior empirical findings that consistently demonstrate links between transformational, transactional, and laissez-faire leadership and organizational outcomes. It suggests that leadership style is a determinant of NGO performance, and that different styles, either individually or in combination, affect how NGOs achieve accountability, effectiveness, and impact.

3. Methodology

The study employed a mixed-methods design, combining descriptive survey and correlational approaches to examine the relationship between leadership styles and organizational performance. These complementary approaches allowed for triangulation of findings, thereby strengthening validity and offering a comprehensive understanding of the study constructs. They also enabled inferences to be drawn from the sample to the wider population.

The study population comprised all 2,201 local NGOs registered in Ethiopia with the Federal Democratic Republic of Ethiopia's Authority for Civil Society Organizations (FDRE ACSO, 2022), which also provided the sampling frame. Using Fisher's formula for sample determination at a 95 percent confidence level, with a proportion set at 0.5 and a margin of error of 0.05, a sample size of 327 NGOs was calculated (Where Sample size, $N = Z^2 p(1 - p)/e^2$; $Z = 95\%$ level of confidence; p = proportion set at 0.5; and e = margin of error set at 0.05). Data were collected through a structured questionnaire based primarily on five-point Likert scales. Although the broader design was mixed-method, the study was predominantly quantitative, facilitating statistical generalization of results from the sample to the population.

The questionnaire was adapted from established, validated instruments. Adaptation involved a multi-step process: reviewing items with proven reliability to ensure they measured the intended constructs, contextualizing language and examples to the Ethiopian NGO sector, and subjecting the revised items to expert review for content validity, clarity, and appropriateness. Feedback from the experts guided refinement of the instrument. A pilot test was then conducted with 19 CEOs and board chairpersons from NGOs excluded from the main sample. The pilot confirmed strong internal consistency, with a Cronbach's alpha of .823 for the seven-item leadership scale and .738 for the five-item performance scale, both of which fall within acceptable reliability thresholds.

The unit of analysis for the study was the local NGOs, while the units of observation were chief executive officers and board chairpersons. This resulted in a target respondent pool of 654 individuals. Restricting participation to CEOs and board chairs was a deliberate methodological choice aimed at reducing potential response bias and enhancing validity. These leaders possess the most comprehensive knowledge of their organizations' governance and performance, ensuring that responses were grounded in informed perspectives. Moreover, selecting a relatively homogeneous group of respondents minimized variation in the interpretation of questions, as CEOs and chairs share a common vocabulary of leadership, governance, and performance metrics.

To mitigate the risk of social desirability bias, strict anonymity and confidentiality protocols were emphasized. Respondents were assured that their answers would not be shared with their boards, staff, or donors and that only aggregated results would be reported. These assurances encouraged more candid responses about leadership challenges and organizational shortcomings.

Data collection was carried out with the assistance of trained research personnel. A systematic sampling procedure was applied by selecting every sixth NGO from the sampling frame. Questionnaires were distributed to the selected organizations using a drop-and-pick method. To minimize non-response bias, multiple follow-up calls were made, and completed questionnaires were collected after two weeks. Of the 654 questionnaires distributed, 475 were returned, yielding a response rate of 72.6 percent. This included 276 responses from CEOs and 199 from board chairpersons. The data were carefully

cleaned to remove inconsistencies, coded, and entered into SPSS for analysis. Statistical procedures included descriptive analysis and tests of significance, with results presented in tabular form.

4. Results / Analysis

Suitable responses for analysis were received from 475, constituting a 72.6% response rate. This rate is robust and compares favorably with response rates ranging between 48% and 68% between 2010 and 2020 as reported in similar survey studies (Holtom et al., 2022). Fifty-eight percent of the respondents were Chief Executive Officers, while forty percent were board chairpersons. This shows a fair representation of the key respondents in the study. The study revealed male dominance in the top leadership of local NGOs in Ethiopia, as males constituted 84.75% of the respondents. The findings also show that the majority (83.65%) had worked in the NGO field between 1 to 10 years, 12.06% for 11 to 20 years, and 4.29% for above 20 years. An indication that most respondents had been in their organizations long enough to understand the nature of its performance and leadership styles. The majority of the respondents had master's degrees (44.8%) followed by bachelor's degrees (38.8%), Certificate/Diploma (10.6%), PhD (4.4%), and ESLCE (1.4%).

The study findings, summarized in Table 1, show that the majority of the respondents reported that leaders of the local NGOs in Ethiopia exhibit a combination of leadership traits. The majority agreed that leaders portray some degree of transformational leadership style (51.6%, $M=3.28$, $SD=1.237$). However, less than half agreed that leaders exhibit transactional leadership styles (34.85%, $M=2.95$, $SD=1.204$), an indicator of a low level of transactional leadership traits. It is worth noting that a substantial proportion (25.15%) selected a neutral response for transactional leadership, which may suggest ambiguity in the measure, a lack of clear transactional practices, or respondent hesitation to criticize leadership. Moreover, only 40.05% ($M=3.05$, $SD=1.192$) agreed that leaders exhibit Laissez-faire Leadership Style. A sign of a low level of laissez-faire style traits.

Table 1: Descriptive Statistics for Leadership Styles

Indicators for Leadership Styles	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std.Dev
Transformational Leadership Style							
The leaders build respect by their actions and take a stand on difficult issues	12.6	15.7	17.0	38.9	15.7	3.30	1.263
The leaders spend time in coaching	10.6	19.6	23.4	33.6	12.8	3.18	1.199
The leaders give the employees freedom to manage and solve problems on their own in the organization	10.7	15.6	20.0	34.8	19.0	3.36	1.250
Sub Aggregate	11.3	16.97	20.13	35.77	15.83	3.28	1.237
Transactional Leadership Style							
The leaders make sure staff receive rewards for achieving targets	10.5	23.8	24.2	29.6	12.0	3.09	1.195
The leaders focus attention on mistakes, deviations from standards	14.1	31.7	26.1	16.5	11.6	2.80	1.213
Sub Aggregate	12.3	27.75	25.15	23.05	11.8	2.95	1.204
Laissez-faire Leadership Style							
Problems become chronic before leaders' act	12.7	29.0	23.2	23.4	11.6	2.92	1.222
Leadership requires staying out of the way of subordinates as they do their work	8.8	21.4	24.8	32.9	12.2	3.18	1.162
Sub Aggregate	10.75	25.2	24	28.15	11.9	3.05	1.192
Aggregate	11.4	22.4	22.7	30.0	13.6	3.11	1.2149

Source: Calculated by the author

On performance, the majority (73.0%) of the respondents said there was availability of an internal system of checks and balances that divides power and authority between management and the board, 22.8% said an internal system of checks and balances that divides power and authority between management and the board were not available while 4.1% said they were not sure. This means that the majority of the local NGOs had accountability structures in place. The study findings presented in Table 2 show that 53.5% of the respondents agreed that the public perception of NGOs results is satisfactory, 37.2% agreed that the government perception on outputs of NGOs is satisfactory, 28.5% agreed that the media perception on the impact of NGOs is satisfactory, 26.9% agreed that NGOs are accountable and transparent to the stakeholders, and 34.9% agreed that the NGOs comply with government requirements. Despite the majority (53.5%) of the public being satisfied with the performance of NGOs in Ethiopia, there is an indication of an indictment for poor performance from the regulatory authorities and the media. This could possibly mean that the stakeholders do not read from the same page and view performance from different perspectives. Thus, there is a need for more stakeholders' engagement for a better understanding for all.

Table 2: Descriptive Statistics for performance

Performance Indicators	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std.Dev
The public perception of NGOs results is satisfactory	8.0	20.9	17.5	38.7	14.8	3.31	1.189
The government perception on outputs of NGOs is satisfactory	8.7	23.8	30.2	29.8	7.4	3.03	1.088
The media perception on the impact of NGOs is satisfactory	16.7	30.0	24.8	22.3	6.2	2.71	1.166
NGOs are accountable and transparent to the stakeholders	18.0	24.0	31.0	22.9	4.0	2.71	1.127
The NGOs comply with government requirements	22.0	15.9	27.2	25.3	9.6	2.75	1.347
Aggregate	14.68	22.92	26.14	27.8	8.4	2.9	1.183

Source: Calculated by the author

To test the study hypothesis, a simple linear regression analysis was conducted. Prior to regression analysis, a Pearson correlation analysis was conducted to examine the bivariate relationships among all study variables. As shown in Table 3, all three leadership styles demonstrated statistically significant correlations with organizational performance. Transformational leadership showed a strong positive correlation, while transactional and laissez-faire styles showed weaker, yet significant, positive correlations. The correlation matrix also confirms that multicollinearity is not a concern among the independent variables, as the correlations between them are not excessively high (<0.8).

Table 3: Correlation

	Transformational	Transactional	Laissez-faire	Performance
Transformational	1			
Transactional	.548**	1		
Laissez-faire	.641**	.650**	1	
Performance	.405**	.299**	.397**	1

Source: Calculated by the author, **. Correlation is significant at the 0.01 level (2-tailed).

The results of the regression indicated that the overall model for leadership style explained a significant proportion of variance in performance. Specifically, 18.3% (Adjusted R² = .183) of the variance in organizational performance was predicted by leadership style. While this result is statistically significant, $F(1, 473) = 107.314$, $p < .05$, it is important to note that a large portion of variance (81.7%) is attributed to other factors not included in this model. This limitation is discussed in Section 5. Leadership style was a significant positive predictor of performance ($\beta = .423$, $t(473) = 10.359$, $p < .001$). To contextualize the practical significance of this relationship, the effect size was calculated using Cohen's $f^2 \left(\frac{R^2}{1-R^2} \right)$. The value of f^2 was 0.22, which indicates a small-to-medium effect size according to conventional benchmarks (Cohen, 1988), suggesting that the observed relationship, while statistically significant, has a modest practical impact on performance.

Table 4: Model Summary Table for Leadership Style and Performance

Source	SS	Df	MS	Number of obs	
Model	60.985	1	60.985	F (1, 473)	= 107.314
Residual	268.796	473	.568	Prob > F	= .0000
Total	329.780	474		R-squared	= .185
				Adj R-squared	= .183
				Std. Error of the Estimate	= .75384
Performance	Coef.	Std. Err.	Beta	T	P> t
Constant	1.580	.132	-	11.960	.000
Leadership Style	.423	.041	.44	10.359	.000

Source: Calculated by the author

5. Discussion

The key objective of this study was to examine the influence of leadership styles on the performance of local NGOs in Ethiopia. The findings revealed that leaders in these organizations adopt a blend of leadership styles depending on contextual demands. This supports the Full Range Leadership Model and reinforces earlier scholarship on the contingent nature of effective leadership (Bass & Avolio, 1994). The results are consistent with prior empirical evidence showing that leadership styles significantly shape organizational performance in NGOs.

A moderate prevalence of transformational leadership traits was identified, aligning with Dindabo (2016), who reported that NGOs in Ethiopia's health sector relied on this style to inspire staff toward exceptional outcomes. The predominance of transformational leadership within Ethiopian NGOs is likely shaped by institutional and cultural realities. These organizations often operate in resource-constrained environments and confront complex social challenges. Transformational leaders, who articulate a compelling vision and foster intrinsic motivation, are therefore crucial for sustaining morale and commitment under such conditions. This emphasis on inspiring followers to transcend self-interest also resonates with Yalew's (2016) findings that transformational leadership in Ethiopian NGOs enhances job satisfaction and performance.

Transactional leadership was found to be less prevalent, a result consistent with Hassan (2020), who observed that it is employed sparingly in emergent situations. Notably, a high proportion of respondents (25.15%) expressed neutrality regarding transactional practices. This may suggest that while leaders occasionally employ contingent rewards, such practices are not systematic or strongly embedded in organizational culture. It could also reflect cultural reluctance to acknowledge management-by-exception approaches or the absence of well-structured reward systems in the sector.

The study also highlighted a pronounced gender imbalance, with 84.75 percent of senior NGO leadership positions held by men. This homogeneity has implications for both leadership practices and organizational outcomes. A largely male leadership cohort may reinforce similar approaches to decision-making and limit diversity of perspectives, thereby reducing opportunities for innovation. Moreover, it raises the question of whether greater gender parity might alter leadership style dynamics, given that transformational leadership is frequently associated with traits more strongly linked to female leadership. This imbalance potentially hinders NGO performance by restricting access to the full spectrum of leadership talent and by limiting representation of the communities these organizations serve.

Regression analysis confirmed that leadership style is a significant positive predictor of NGO performance, explaining 18.3 percent of the variance. This finding is consistent with Kassaye (2018) and Duressa and Debela (2014), who also identified leadership as a key determinant of organizational effectiveness. However, the interpretation of "performance" must be approached with nuance. The data revealed a clear divergence between internal and external assessments. Internally, 73 percent of leaders reported the existence of strong systems of checks and balances. Externally, however, stakeholders such as government agencies and the media rated NGOs much lower on accountability, transparency, and impact.

This divergence suggests that while leadership practices may be effective in sustaining internal operations and meeting project targets, they may fall short in terms of external legitimacy. For instance, an NGO might efficiently manage resource distribution yet still be perceived as non-transparent by regulators due to inadequate reporting, or as ineffective by the media because of insufficient visibility of outcomes. These findings underscore that leadership effectiveness cannot be measured solely through internal performance indicators. It must also include the organization's capacity to build trust, demonstrate accountability, and legitimize its work in the eyes of diverse external stakeholders.

6. Conclusion

This study concludes that leadership style is a significant, though partial, determinant of performance in local Ethiopian NGOs. The findings affirm the Full Range Leadership Theory by demonstrating that no single style is universally optimal; rather, effective leaders blend transformational, transactional, and, at times, laissez-faire behaviors in response to contextual demands. Transformational leadership emerged as the most prevalent, reflecting the sector's need for vision, inspiration, and motivation in navigating complex social challenges and resource constraints.

The study contributes to leadership scholarship by contextualizing the Full Range Leadership Model within the unique realities of the Ethiopian NGO sector. It highlights the importance of situational adaptability and offers evidence that leadership effectiveness in resource-limited environments is shaped as much by cultural and institutional dynamics as by leadership behaviors themselves. For practitioners, the findings underscore the value of cultivating leaders who can switch flexibly between styles depending on organizational demands.

Practical implications are clear. First, leadership development programs should prioritize behavioral flexibility rather than promoting a single "ideal" style. Donors, policymakers, and umbrella organizations should fund training initiatives rooted in local case studies, equipping leaders to apply transformational approaches for inspiring long-term vision, transactional approaches for ensuring accountability to donors, and delegative approaches for managing technical expertise. Second, gender inclusivity in leadership must be treated as a strategic priority. The stark gender imbalance in Ethiopian NGOs threatens innovation, resilience, and representativeness. Succession planning, mentorship, and affirmative leadership development programs are needed to increase female participation in top leadership roles.

Finally, the study highlights a critical gap between internal performance confidence and external perceptions of legitimacy. While leaders report strong internal systems, government agencies, media, and donors remain unconvinced of NGOs' transparency and accountability. To bridge this divide, NGOs should institutionalize regular stakeholder perception audits, using the findings to refine reporting, communication, and engagement strategies. Such measures can strengthen NGOs' legitimacy and secure their social license to operate.

In summary, enhancing the performance of Ethiopian NGOs requires leaders who are not only visionary but also adaptable, and governance systems that are inclusive, transparent, and externally engaged. By embracing flexible leadership, addressing gender disparities, and building trust with stakeholders, Ethiopian NGOs can achieve greater sustainability, effectiveness, and social impact.

7. Limitations And Future Recommendations

The findings of this study can be generalized to local NGOs in Ethiopia; however, they may not fully apply to international NGOs or NGOs operating in other countries, given differences in funding structures, operational models, and cultural environments. The cross-sectional design is another limitation, as it does not capture how leadership styles and their influence on performance evolve across an organization's lifecycle or in response to external shocks. Future research should therefore adopt longitudinal designs to trace causal dynamics and assess how leadership effectiveness develops over time.

A further limitation lies in the study's reliance solely on the perceptions of internal stakeholders, specifically CEOs and Board Chairs. While these respondents provide strategic and organization-wide perspectives, their views may be subject to self-reporting bias and may not fully reflect the experiences of lower-level staff, beneficiaries, donors, or government regulators. This narrow focus may also explain the discrepancy observed between high internal reports of accountability structures and lower external perceptions of transparency. Incorporating multi-stakeholder perspectives in future studies would yield a more holistic and objective picture of both leadership behavior and performance outcomes.

The research design also did not explicitly analyze the impact of demographic variables. Although this study highlighted the striking gender imbalance in NGO leadership (84.75 percent male), it did not investigate the potential influence of gender on leadership styles or organizational performance. This represents an important direction for future research. Studies should examine barriers to women's advancement, assess whether mixed-gender leadership teams adopt different blends of leadership styles, and explore whether gender-balanced leadership correlates with stronger performance, innovation, or stakeholder trust. Qualitative investigations into the lived experiences of female leaders in Ethiopian NGOs would provide further insight into this critical issue.

Finally, leadership styles in this study explained only 18.3 percent of the variance in organizational performance, suggesting that other influential variables remain unexamined. Future models should integrate additional determinants such as funding stability, technological adoption, political volatility, and organizational culture. Including these factors would help construct a more comprehensive understanding of the drivers of NGO effectiveness and sustainability.

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