

Leadership Practices and Problems in the Office of the Federal Auditor

General (OFAG)

By

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1. Background of the Study

Leadership is one of the enigmatic topics in the field of management as well as in real life political, economic and social organizations of human beings.

Leadership attracts universal attention. Historians, philosophers and social scientists have attempted to understand and explain leadership for centuries. From Confucius to Plato to Machiavelli, many of the world's most famous thinkers have theorized about how people lead one another. One reason for the fascination with this subject lies in the very nature of human experience. Leadership is all around us. We get up in the morning open the newspapers, turn on the radio or television and discover what actions leaders all over the world have taken. We attend classes, work and interact in social groups all with their own distinct patterns of leadership (Hackman and Johanons, 2004:2).

The definition of leadership, quoted from the work of Tom Peters and Nancy Austin, by Fiona Elsa Dent, titled "The Leadership Pocket Book" provides us with the following broader insight about the essence of leadership;

Leadership means vision, cheerleading, enthusiasm, love, trust, verve, passion, obsession consistency, the use of symbols, paying attention as illustrated by the content of one's calendar, out and out drama (and the management thereof), creating heroes at all levels, coaching, effectively

wandering around, and numerous other things. (Fiona, 2004:2).

Based on the above definition, leadership plays an important role in providing shared vision and values that are essential for the accomplishment of organizational objectives or goals. It enhances commitment, by empowering and coaching employees and work groups, which in turn will enable the organization to create heroes at all levels.

At present the Office of the Federal Auditor General has 356 employees, 11 departments, 25 divisions (5 of them are vacant), and five branch offices located in Awassa, Jimma, Diredawa, Bahirdar and Addis Ababa. The office is now undertaking business process reengineering (BPR) to bring about a fundamental change in the performance of the organization. Thus, it is expected that the existing change will be implemented with full commitment of its leaders. To this end, a new Auditor General has been appointed recently.

This may be true, if the leaders are committed to provide vision, and values that inspire the staff, and if they empower their staff and work groups so that they will get full commitment of the workforce. However, the current situation shows that many professional staff including department heads have left the organization as they are dissatisfied by the existing leadership. Hence, the purpose of this study is to assess leadership practices and problems in the organization.

2. Statement of the Problem

It is very obvious that the objectives of OFAG require strong leadership that provides vision and empowers employees to carry out their responsibilities effectively and efficiently. However, according to a preliminary assessment made by the researcher through an informal discussion with some staff members of the organization, OFAG has the following major leadership problems:

1. Most of the leaders at different levels follow outdated leadership style, mainly bossy and/or authoritarian;
2. Although the very nature of the major functions of the organization auditing requires an empowerment of each auditor to perform his/her respective responsibilities, the key technical staff do not receive any kind of empowerment, and the big bosses are the ones who give instructions to the minute details;
3. Professional staff including some department heads do not stay long in the organization and there is a high rate of turnover; and,
4. Despite the fact that the organization has well qualified accountants and auditors, when its performance is measured, the quality and quantity of audit reports is showing a declining trend from year to year.

The study, therefore, investigates the magnitude of these problems and examines the general leadership practices in OFAG to identify the real causes of these problems. Emphasis is given to the effect of the current leadership practices on the problems enumerated.

3. Research Questions

The research aimed to answer the following questions. What is the

1. perception of employees on the leadership practices of OFAG?
2. role played and bottlenecks encountered by OFAG leaders to attain organizational objectives?
3. dominant leadership style and the degree of employee satisfaction on the style demonstrated by their leaders?
4. perception of employees about the relationship between
 - employees and leaders? and
 - high rate of turnover and the leadership style demonstrated by leaders?
5. solution to improve the existing leadership problem in the organization?

4. Objectives of the Study

4.1 General Objective

The general objective of the study is to investigate leadership practices and problems of the Federal Auditor General and suggest remedial measures that would help enhance the leadership capacity of the organization.

4.2 Specific Objectives

The following specific objectives are stated from the general objective. Thus, the specific objectives of the study are to:

- unfold the prevailing leadership practices and styles of OFAG;
- identify the leadership problems and bottlenecks of the organization that significantly affected the performance of the organization;
- determine the perception of the employees towards the leadership styles demonstrated by the management;
- determine the contribution of the organization's leadership practices to staff turnover and,
- document problem caused by the leadership practice and recommend solutions for the problems identified.

5. Research Methodology

The research method employed is qualitative method that uses a survey approach in collecting data. The research design include compilation of review of related literature, development of questionnaire and interview questions, compilation of data obtained from primary and secondary sources as described under method of data collection of this proposal, and summarizing findings, drawing conclusions and forwarding recommendations that are relevant to address the situation.

The total population consists of 356 staff members of the Head Office of OFAG. To carry out the research, the total population was classified using stratified sampling technique based on the positions that each staff member has in the organization and by gender. In order to make the sample representative, a probability sampling, specifically, simple random sampling technique was used. Therefore, out of the total population, 71 members of the employees (20% of the total population) were considered for the study.

In order to get sufficient and relevant information for the study, both primary and secondary data sources have been used. The primary data were collected through interview and questionnaire from both the staff members and the management of the OFAG. Whereas the secondary data were collected from books, manuals, organizational documents and other relevant published and unpublished materials.

The method used is mainly survey method. The study was carried out using self completed questionnaire and structured interview. The questionnaire includes both close-ended and open-ended questions. The open-ended questions are included to find more information which cannot be obtained from the closed-ended questions. They are also expected to enable the respondents to express their views freely.

After the relevant data were collected from the data sources specified above, the facts were tabulated, systematically analyzed, organized and interpreted using frequency count and percentage. Thus, descriptive statistics method was used to analyze the data, because it is appropriate and simple to analyze quantitative data.

6. Summary, Conclusion and Recommendations

6.1 Summary

Findings of the primary data collected are the following:

- Most of the employees are not satisfied with the current leadership practices in the organization.
- Employee respondents feel that the role of leaders for the accomplishment of the objectives is not as such significant. Leader respondents think their role is significant.
- Employee respondents tend to think that the relationship between leaders and employees is not that close. The leader respondents seem to admit this but transfer the blame to their big boss.
- Employee respondents are dissatisfied with the existing leadership styles of leaders, which according to the majority; the dominant leadership style in the organization is autocratic. None of the leader respondents considered themselves autocratic, but clearly admit that there is a gap between old and young leaders attitude about leadership and consider the dominant leadership style as traditional, bossy and that is not open to change and opinion of others.
- Both groups of respondents believe that the existing leadership style is the major source of high turnover in the organization.
- The employee respondents feel that the involvement of the leadership of the organization in setting directions is very low. All leader respondents think they do their level best to set directions, and seem that they have no idea about their followers' opinion about them in this regard.
- The majority of employees' rating the extent to which their leaders communicate to them about the vision, values and objectives is moderate. The leader respondents admit that they do not communicate because they think employees know them well or they themselves do not know them.

- The majority of the employee respondents confirm that the decision making process in the organization is not as such participatory.
- Most of employee respondents feel that in comparison to the leadership practice of other government organization, their organization's leadership practice is not as such satisfactory.
- Most of the employee respondents think that competencies of leaders in their organization are moderate. They also pointed out that lack of sufficient delegation (empowerment), lack of good communication with subordinates and lower level employees, lack of capable leaders who can understand, initiate, listen to employees and give quick solution to problems, lack of emotional intelligence etc...are prevalent in the organization.
- Some of the comments and suggestions given by respondents to solve the problems of leadership in the organization include:
 - Shift to transformational leadership,
 - Integrate at all levels of the organization starting from the top management,
 - Introducing new blood into leadership positions,
 - Organizing a discussion forum,
 - Attitudinal change of leaders and,
 - Leadership training for both employees and leaders.

6.3 Conclusions

Based on the findings stated above the following conclusions can be drawn.

- The majority of employees are not satisfied with the existing leadership practice. This may result in poor motivation, less passion of employees for their organization.

- The majority of employees feel that the relationship between leaders and employees is not good. This major bottleneck hinders leaders from aligning themselves with their followers. As a result, it may create an organizational culture that is dominated by a passive transactional relationship that do not allow leaders to inspire, coach and mentor employees to invest their preferred self, towards the attainment of organizational objectives
- Employees are dissatisfied with the existing leadership styles demonstrated by leaders. This may create a negative attitude among employees about the image of their leaders, which in turn may reduce the degree of commitment they will have to perform their work.
- The involvement of the leadership of the organization in setting directions is very low. This may indicate that leaders in the organization are rather managers than leaders. This may create a vacuum in leadership and tend to endanger the long-term sustainability of organizational activities in the face of the ever-changing environment.
- The existing leadership style is the major source of high turnover in the organization. This may cause losing well-experienced employees, and deterioration of the organization's human asset.
- The decision making process of the organization is not participatory. This tends to impede the quality of decision-making and the sense of belongingness among followers. It further hinders the learning experience that employees can acquire in the process and the eventual potential development of leaders at all levels in the organization.
- The degree of shared vision, values and objectives are moderate in the organization. This may cause low level of commitment, teamwork and sense of direction among both employees and leaders.
- The dominant leadership style practiced in the organization is autocratic. This may be the major reason that caused dissatisfaction of employees in the leadership practices, the existing distance between leaders and followers, the

low-level involvement of leaders in setting directions and other related leadership problems identified in this study.

- The standard of leadership practices in the organization is not as such satisfactory in comparison with the leadership practice of other government organizations. This may result in low reputation of the organization, and the attractiveness of the organization, to recruit, retain and develop talented human resource. This could also entail further deterioration of the quality of outputs the organization would produce.

6.3 Recommendations

Based on the findings of the study and the conclusion drawn the student researcher forwards the following recommendations.

- The organization is advised to minimize the high turnover of employees by adopting more empowering, participatory, inspiring and transformational leadership practices in order to recruit, motivate, develop and retain well-experienced employees.
- The organization is strongly advised to recognize that dissatisfaction of employees can entail unfavorable outcomes such as turnover, absenteeism and lower productivity of employees. Therefore, the leaders should improve their leadership practice to avoid employees' dissatisfaction. To this end, among other things, the organization should design and implement a leadership and employee development-training program to change the attitude of leaders and followers at all levels.
- It is advised that such leadership training programmes should aim at improving the role played by leaders including, skills and competencies on understanding, initiating, listening to employees; empowering, coaching and mentoring employees and giving quick solutions to problems.

- The leadership of the organization is strongly advised to align followers through the creation of healthy and close relationship with employees and must give more attention to employees. To this end, leaders should .assign adequate time to communicate with their subordinates, to coach and listen to them.
- It is strongly recommended that the leadership style of the organization/leaders should be changed into modern, participatory and more empowering leadership style. New leaders that have the skill, experience and potential for leadership should replace leaders that cannot be assisted through training.
- The organization and its leaders should set directions and align employees with that direction through communication, inspiration, motivation, empowerment and basic need gratification.
- The organization and its leaders are strongly advised to involve employees' in decision making and include their ideas in the decision of the organization in order to create participatory leadership environment rather than imposing what is decided. Periodic or regular meetings with employees can also help in promoting participatory decision-making.
- The organization should communicate its vision, value and mission in a very transparent way to inspire and mobilize employees towards the accomplishment of common goals.

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