

Leadership and Change Management in Ethiopian Higher Education Institutions: Dynamics, Challenges, and Strategic Interventions

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Abstract

This study investigates the interplay between leadership styles, change management strategies, institutional readiness, and resistance mechanisms within Ethiopian Higher Education Institutions (EHEIs). Adopting a pragmatist philosophical worldview, the study employed a mixed-methods explanatory sequential design. Quantitative data were collected from academic staff and institutional leaders across five purposively selected public universities using survey instruments. Descriptive statistics, Pearson correlation, Multiple Regression Analysis, and Structural Equation Modeling (PLS-SEM) were used to analyze quantitative data, while qualitative data underwent thematic framework analysis. The quantitative findings reveal that top leadership in Ethiopian public universities predominantly exhibits a combination of transactional and laissez-faire leadership practices, while transformational leadership behaviors remain statistically underrepresented ($\mu = 2.84$, $\sigma = 0.76$). Transformational and strategic leadership demonstrated a strong, positive, and statistically significant relationship with institutional change readiness ($\beta = 0.512$, $p < 0.001$) and successful implementation of change tools ($\beta = 0.448$, $p < 0.001$). Conversely, transactional leadership displayed a weak relationship, while laissez-faire leadership yielded a significant negative relationship with change outcomes ($\beta = -0.312$, $p < 0.01$). Mediation analysis confirmed that Knowledge Management (KM) significantly mediates the path between strategic leadership and change effectiveness ($\beta_{\text{indirect}} = 0.184$, $p < 0.005$). Qualitative findings highlighted three major systemic barriers to successful change implementation: (1) political interference and non-meritocratic appointments of institutional leaders, (2) severe resource constraints combined with top-down, non-participatory policy mandates, and (3) deep-seated institutional resistance fueled by mistrust and low change self-efficacy among academic personnel. The study concludes that sustainable reform in EHEIs requires a paradigm shift from bureaucratic and politicized governance to transformational, distributed, and knowledge-driven leadership models.

Keywords: Leadership Styles, Change Management, Institutional Readiness, Ethiopian Higher Education, Knowledge Management, Public Universities

Introduction

Higher Education Institutions (HEIs) are central to socioeconomic development, technological innovation, human capital formation, and societal transformation. However, globalization, digital transformation, demographic change, massification, and evolving labor-market demands have created increasingly complex organizational environments (Read & Olcott, 2025). These pressures require universities to move beyond rigid administrative models toward more adaptive, responsive, and strategically oriented governance. Consequently, leadership capacity to initiate, implement, and sustain organizational change has become increasingly important for institutional effectiveness and long-term development (El-Amin & George, 2020).

These challenges are particularly pronounced in Sub-Saharan Africa, where higher education systems operate within complex political, economic, and institutional environments. Ethiopia provides an important context for examining organizational change in higher education because of the scale and speed of its sectorial transformation (Kumar et al., 2023). Historically characterized by elite and limited access, Ethiopian higher education expanded substantially following the socioeconomic and policy reforms of the 1990s and the implementation of the Education and Training Policy. Over approximately two decades, the country expanded its public university system from a small number of institutions to more than 45 public universities, commonly differentiated into first-, second-, third-, and fourth-generation institutions according to their establishment periods and institutional development (Tareke et al., 2024).

Expansion was accompanied by extensive public-sector reform initiatives intended to improve efficiency, accountability, quality, and institutional relevance. Ethiopian public universities adopted management and quality-improvement instruments, including Business Process Reengineering (BPR), the Balanced Scorecard (BSC), Total Quality Management (TQM), and curriculum reforms (Edamo, 2026). More recent initiatives emphasizing university autonomy and institutional differentiation into research, applied, and comprehensive universities have further increased the complexity of organizational governance. Despite these reforms, the implementation of organizational change has produced mixed outcomes. Rapid expansion has placed pressure on administrative capacity, infrastructure, quality assurance, and institutional resources, while university leaders have

had to reconcile government development priorities with academic autonomy, professional norms, and stakeholder expectations (Hara, 2025).

Organizational change in universities is particularly complex because higher education institutions (HEIs) differ substantially from conventional bureaucratic and corporate organizations. Universities have been characterized as “organized anarchies,” in which goals may be ambiguous, technologies uncertain, and participation fluid, while professional autonomy and shared governance remain important features of organizational life. In such settings, formal directives alone may be insufficient to generate sustainable change.(Bleiklie et al., 2015) The effectiveness of reform therefore depends substantially on leadership behavior and the capacity of leaders at different organizational levels including university presidents and vice presidents, deans, directors, and department heads to develop shared visions, communicate change, mobilize knowledge, and build organizational commitment (Stolze & Sailer, 2021).

Although transformational, strategic, and distributed leadership perspectives have received extensive attention in international research, their applicability cannot necessarily be assumed across institutional and national contexts. In particular, the organizational, political, and professional conditions of Ethiopian public universities may shape how leadership practices are interpreted and translated into change outcomes. This contextual issue is important because empirical evidence suggests that organizational change initiatives in public-sector settings frequently fail to achieve their intended strategic objectives, with estimates indicating failure rates of approximately 60–70% (Ferede et al., 2024; Gebretsadik, 2022). Within Ethiopian higher education, reform initiatives have similarly encountered implementation delays, organizational inertia, resistance, and forms of compliance that do not necessarily translate into substantive institutional transformation.

Leadership capacity represents one important explanation for these outcomes. Existing scholarship has identified weaknesses in leadership capability and behavior as significant challenges within Ethiopian public universities (Gebremedhin, 2023). Concerns have also been raised regarding leadership practices characterized by centralized decision-making, transactional orientations, and limited capacity to develop shared institutional visions and employees’ confidence in implementing change (Zelege, 2021). At the same time, change-management instruments such as BPR and BSC have sometimes been transferred from

corporate or civil-service environments without adequate adaptation to the distinctive professional culture and governance arrangements of higher education (Jinga & Hassen, 2025). Such contextual misalignment may contribute to change fatigue, cynicism, and resistance among academic staff. Moreover, middle-level academic leaders, particularly deans and department heads, occupy a critical position between strategic decision-making and operational implementation but may lack sufficient authority, training, and organizational support to function effectively as change agents (Gebretsadik, 2022).

These challenges point to an important limitation in the existing evidence base. Although international research provides extensive theoretical explanations of leadership and organizational change, relatively limited empirical work has examined how leadership styles, knowledge-management processes, and organizational change readiness interact within Ethiopian public universities. Existing Ethiopian studies have often examined leadership independently, relied primarily on descriptive approaches, or focused on broader public-sector organizations rather than the distinctive organizational and professional environment of universities. Consequently, there is insufficient contextualized evidence concerning the mechanisms through which leadership practices translate into organizational readiness and successful implementation of institutional reforms across different generations of Ethiopian public universities.(Abegaz et al., 2025).

The present study addresses this gap through a multi-generational, mixed-methods investigation of organizational change in Ethiopian public universities. It examines how executive and academic leadership practices influence organizational change and considers the role of knowledge management mechanisms and institutional contextual conditions in shaping change readiness and reform outcomes. By integrating leadership, knowledge management, and organizational change perspectives, the study seeks to explain why some reform initiatives progress toward substantive institutional transformation whereas others become characterized by resistance, limited implementation, or organizational inertia.

Literature Review

The Nature of Higher Education Institutions

Higher education institutions (HEIs) are unique organizational systems distinct from commercial corporations or standard public sector bureaucracies. In organizational theory, universities are characterized as "organized anarchies" (Cohen et al., 1972) or "loosely coupled systems" (Weick, 1976). These models emphasize that universities possess ambiguous goals, uncertain causal links between instructional inputs and educational outcomes, fragmented departmental structures, and fluid participant engagement.

Academic staff operates within dual authority structures: professional authority (rooted in disciplinary expertise, peer recognition, and academic autonomy) and bureaucratic authority (enforced by university administration, statutes, and state ministries). Consequently, driving change in higher education requires navigating professional identity, departmental silos, and shared governance expectations. Top-down, command-and-control administrative mandates often generate institutional friction, active avoidance, or symbolic compliance (Alzahmi et al., 2025).

Leadership in Higher Education

Leadership in higher education involves influencing, inspiring, and enabling academic and administrative communities to realize institutional visions, uphold academic standards, and implement organizational change. Unlike corporate managers, who often rely on formal hierarchical authority, university leaders must operate within professional and collegial structures that require influence, persuasion, coalition building, consultation, and political negotiation. Consequently, effective academic leadership extends beyond formal authority and requires the capacity to align diverse stakeholders around institutional priorities while managing competing academic, administrative, and regulatory demands (Yadav et al., 2024).

Academic leadership operates across interconnected organizational levels. Executive leaders, including presidents and vice presidents, are primarily responsible for strategic vision, resource mobilization, policy formulation, institutional positioning, and relationships with government and external stakeholders. Middle-level leaders, such as deans and institute directors, serve as a critical interface between institutional policies and academic staff, translating strategic priorities into operational action while balancing academic quality,

resource constraints, and compliance requirements. At the operational level, department heads and program coordinators oversee day-to-day academic activities, including curriculum implementation and review, faculty workload allocation, program coordination, and initial conflict resolution. Together, these leadership levels form an interconnected governance structure through which institutional strategies are communicated, interpreted, implemented, and adapted (Laforge, 2020).

Change Management in Public Sectors

Organizational change refers to the structured process through which an institution transitions from its existing state toward a desired future state to improve effectiveness, adaptability, and responsiveness. In public institutions, change may be planned, involving deliberate strategic interventions such as Business Process Reengineering (BPR), quality assurance, and organizational restructuring, or unplanned, involving reactive responses to unexpected policy, economic, technological, or environmental pressures. Change-management frameworks provide systematic approaches for building readiness, reducing resistance, and institutionalizing new practices. Among the most influential are Lewin's Three-Step Model, which conceptualizes change as unfreezing existing practices, implementing new behaviors, and refreezing the resulting state; Kotter's Eight-Step Framework, which emphasizes urgency, guiding coalitions, strategic vision, communication, empowerment, short-term achievements, consolidation, and institutionalization; and Hiatt's ADKAR Model, which focuses on individual change through Awareness, Desire, Knowledge, Ability, and Reinforcement (Montenero & Cazorzi, 2022).

In higher education, however, organizational change cannot be treated simply as the application of corporate change-management models. Universities operate through distinctive governance arrangements characterized by professional autonomy, collegial decision-making, shared governance, academic freedom, and relatively decentralized authority. Consequently, successful change requires adaptation of conventional frameworks to accommodate the interests and professional identities of academic staff, the participation of multiple stakeholders, and the complex relationship between institutional leadership and faculty autonomy. This contextualization is particularly important in public universities, where reforms may simultaneously reflect internal institutional priorities and external governmental or regulatory requirements. Thus, effective change management in higher education depends

not only on the formal design of reform initiatives but also on leadership capacity, stakeholder engagement, organizational readiness, communication, and the institutionalization of new practices (Stensaker et al., 2012).

Higher Education Expansion in Ethiopia

The evolution of Ethiopian higher education has been characterized by rapid structural expansion aimed at supporting national economic development under successive policy frameworks, including the Education Sector Development Programs (ESDP I–VI) and broader national development strategies. This expansion has produced a multi-generational public university system. First-generation universities, established before 2000, such as Addis Ababa University and Haramaya University, historically emphasized elite training and foundational research. Second-generation universities, established largely during the mid-2000s, including Jimma, Hawassa, and Bahir Dar universities, expanded regional access and professional education. Third-generation universities, established mainly during the late 2000s and 2010s, further accelerated geographic access and supported local development, while Fourth-generation universities, established predominantly after 2015, were developed with more specialized regional and institutional mandates. This generational expansion substantially increased access to higher education but also produced considerable variation in institutional maturity, resources, governance capacity, and organizational conditions.

The rapid expansion of public universities has simultaneously generated significant structural pressures. Resource and infrastructure constraints have emerged where student growth and institutional expansion have outpaced the development of laboratories, physical facilities, digital resources, and broadband connectivity. Pedagogical and quality challenges have also intensified as the supply of qualified doctoral-level academic staff has not always kept pace with enrollment growth, increasing reliance on relatively less experienced faculty and creating additional demands for professional development and academic leadership. At the governance level, reforms such as Business Process Reengineering (BPR) and the Balanced Scorecard (BSC) were introduced to improve efficiency, accountability, and service delivery. However, their standardized implementation has sometimes conflicted with the decentralized, professional, and collegial nature of academic work, generating procedural burdens and tensions between administrative requirements and faculty expectations. These conditions make leadership capacity and context-sensitive change management particularly important

for sustaining organizational reforms across universities with different histories and levels of institutional development.

Full Range Leadership Theory (FRLT)

Bass and Avolio's (1994) Full Range Leadership Theory (FRLT) conceptualizes leadership behavior along a continuum encompassing transformational, transactional, and laissez-faire leadership. Transformational leadership is characterized by four dimensions: idealized influence, through which leaders serve as trusted role models; inspirational motivation, through which they articulate a compelling vision and foster collective commitment; intellectual stimulation, which encourages critical thinking, innovation, and the questioning of established practices; and individualized consideration, which emphasizes mentoring, support, and professional development. Transactional leadership focuses on structured exchanges between leaders and followers and comprises contingent reward, active management-by-exception, and passive management-by-exception, respectively involving performance-based rewards, proactive monitoring and correction of deviations, and intervention primarily after problems occur. In contrast, laissez-faire leadership reflects the avoidance or absence of active leadership, including delayed decision-making, limited guidance, and insufficient feedback.

Within university change contexts, these leadership styles provide a useful framework for examining how leaders influence organizational readiness and the implementation of reform. Transformational leadership may support change by connecting institutional reforms with shared academic values, articulating a clear vision, encouraging innovation, and providing individualized support to academic staff. Transactional leadership may contribute to change implementation through explicit expectations, performance monitoring, and structured incentives, particularly where compliance with institutional procedures is necessary. Laissez-faire leadership, by contrast, involves limited intervention and decision-making and may create difficulties where organizational change requires clear direction, coordination, and sustained leadership engagement. Accordingly, the Full Range Leadership Theory provides a theoretical basis for examining the relationships between leadership behavior, organizational change readiness, and reform outcomes in Ethiopian public universities (Bass & Avolio, 1993).

Complex Leadership Theory (CLT)

Complexity Leadership Theory (CLT) conceptualizes organizations as Complex Adaptive Systems (CAS) in which outcomes emerge through dynamic interactions among interconnected individuals, groups, and organizational units rather than solely through hierarchical authority (Uhl-Bien et al., 2007). In knowledge-intensive institutions such as universities, CLT identifies three interdependent leadership functions. Administrative leadership operates through formal authority and is responsible for planning, resource allocation, budgeting, and institutional policy. Adaptive leadership emerges through informal interactions and supports experimentation, learning, creativity, and responses to changing conditions. Enabling leadership connects these two domains by creating conditions in which adaptive processes can emerge while maintaining sufficient administrative structure and coordination.

This perspective is particularly relevant to organizational change in higher education, where professional autonomy, distributed expertise, and decentralized decision-making can make purely hierarchical approaches insufficient. From a CLT perspective, effective change involves more than issuing formal directives; it requires leaders to create an organizational environment that enables academic staff and units to exchange knowledge, experiment with new approaches, learn from experience, and adapt to emerging challenges. Enabling leadership is therefore particularly important because it mediates between institutional structures and emergent adaptive processes, allowing innovation and self-organization while maintaining strategic direction and institutional coherence (Uhl-Bien et al., 2007).

Institutional Theory

Institutional Theory explains how organizations are shaped by the cultural, social, and regulatory environments in which they operate (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Rather than adopting structures solely to maximize technical efficiency, organizations may implement policies and organizational practices to obtain legitimacy, social acceptance, and access to external resources. The theory identifies three mechanisms of institutional isomorphism. Coercive isomorphism arises from pressures exerted by governments, laws, regulators, and funding bodies; in Ethiopian public universities, this may include Ministry of Education requirements concerning BPR, BSC, quality assurance, and standardized

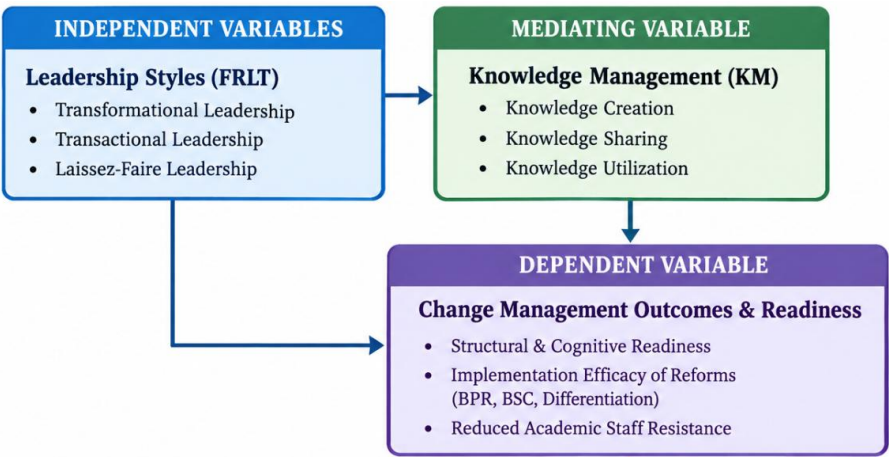
institutional structures. Mimetic isomorphism occurs when organizations imitate practices or structures adopted by perceived successful peers, particularly under conditions of uncertainty. Normative isomorphism results from professional standards, academic networks, disciplinary communities, and shared educational and professional credentials.

Within Ethiopian public universities, Institutional Theory provides a useful explanation for how externally driven reforms become incorporated into university structures and practices. Government-mandated reforms may generate strong incentives for universities to demonstrate formal compliance, even when the adopted practices are not fully integrated into everyday academic work. This can produce decoupling, whereby formal structures, policies, and reporting systems exist alongside relatively unchanged internal routines (Meyer & Rowan, 1977).

Conceptual Framework

The conceptual framework illustrates the hypothesized structural paths among independent variables (Leadership Styles), mediating variables (Knowledge Management), and the dependent variable (Change Management Outcomes and Institutional Readiness). Specifically, it delineates how leadership behaviors and institutional isomorphic pressures collectively influence organizational readiness, which in turn acts as a mediator for the successful adoption of public sector reforms (Brito & Jorge, 2020; Knill & Balint, 2008).

Figure 1: Conceptual Framework of the Study



Research Methodology

Research Philosophical Worldview

This study adopts a pragmatist philosophical worldview. Pragmatism holds that research should focus on solving complex real-world problems using the most effective research strategies available, rather than adhering strictly to singular positivist or constructivist epistemologies. Because leadership behaviors involve quantifiable structural dynamics (measured via standard psychometric scales) as well as qualitative institutional perceptions (experiences, political context, professional identities), pragmatism provides the epistemological justification for deploying a mixed-methods design.

Research Design

The study employs a mixed-methods explanatory sequential design (QUAN → qual), in which quantitative data are collected and analyzed first, followed by qualitative inquiry to explain and elaborate on the quantitative findings. In Phase 1, quantitative data are collected through a survey of 616 academic staff and leaders and analyzed using SPSS and Partial Least Squares Structural Equation Modeling (PLS-SEM) to identify patterns, relationships, and key findings. In Phase 2, the quantitative results guide the purposive selection of participants and areas for further investigation, followed by qualitative data collection through 24 key informant interviews (KIIs) and eight focus group discussions (FGDs). The qualitative data are then analyzed to provide deeper explanations and contextual understanding of the quantitative findings. In Phase 3, the quantitative and qualitative findings are integrated through joint-display analysis and triangulation, enabling the study to synthesize the evidence and develop the final Institutional LCM Model.

Data Sources

The study utilized multiple data sources, including quantitative survey instruments administered to academic staff (instructors, assistant professors, associate professors, and professors) and academic leaders (department heads, deans, and directors); key informant interviews (KIIs) conducted with senior university executives, including presidents, vice presidents, and Institutional Change Office directors; and focus group discussions (FGDs) conducted with academic council members, department heads, and senior faculty union representatives. In addition, relevant documentary sources were reviewed, including institutional strategic plans, Ministry of Education policy blueprints such as ESDP V and VI,

HERQA audit reports, administrative change guidelines and manuals, including BPR and BSC, and relevant published empirical literature.

Sampling and Sample Size Determination

To ensure adequate statistical power and appropriate representation of the target population, the required sample size was calculated using Yamane's formula. This formula offers a standardized procedure for determining the sample size by balancing the desired level of precision and confidence with the total population size.

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

$$n = \frac{40934}{1 + 40934 (0.05)^2}$$

$$n \approx 396$$

Where: n = Sample Size

N = Total Population

e = Sampling Error

Following the determination of the required sample size, the researcher implemented a four-stage sampling procedure. First, seven public universities were purposively selected based on their regional significance, operational capacity, and alignment with the country's broader socioeconomic and environmental context. The academic and administrative staff of these universities constituted the target population. Second, the total sample size was calculated using Yamane's formula to establish an appropriate sample within the specified margin of error. Third, proportional stratified sampling was employed to allocate the sample across the universities according to each institution's share of the total population. Finally, individual participants were selected through systematic random sampling. In this stage, the sampling interval was determined by dividing the population size by the required sample size, after which every K^{th} employee was selected from the institutional sampling frames.

Data Collection Instruments

The study employed three primary data-collection instruments. First, a structured quantitative questionnaire was developed using adapted items from established psychometric scales, measured on a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The questionnaire included the Multifactor Leadership Questionnaire to measure transformational, transactional, and laissez-faire leadership styles; the Organizational Change

Readiness Scale to assess discrepancy, efficacy, support, and valence (Holt et al., 2007); and the Knowledge Management Process Scale to measure knowledge creation, knowledge sharing, and knowledge application capabilities. Second, semi-structured key informant interview protocols were used to obtain in-depth perspectives from senior university executives on policy adoption, the institutional and political context, organizational resistance, and leadership challenges associated with change initiatives. Third, focus group discussion guides were used to explore the perspectives of middle managers and senior academics on administrative change tools, communication processes, and organizational culture. The qualitative instruments were designed to complement and further explain the findings generated during the quantitative phase of the study.

Validity and Reliability

The study established the validity and reliability of the research instruments through a systematic procedure. Content and construct validity were first assessed by adapting items from established and internationally validated instruments, followed by expert review by senior professors in educational leadership and psychometrics to ensure their relevance, clarity, cultural appropriateness, and contextual alignment with the Ethiopian public university setting. Confirmatory Factor Analysis (CFA) was subsequently conducted to assess the construct validity of the measurement model, and all retained items demonstrated factor loadings above the recommended 0.60 threshold. Internal consistency reliability was evaluated using Cronbach's alpha (α) and Composite Reliability (CR). The results indicated satisfactory to high reliability across all constructs, with Cronbach's alpha coefficients of 0.912 for Transformational Leadership (12 items), 0.834 for Transactional Leadership (8 items), 0.865 for Laissez-Faire Leadership (5 items), 0.889 for Institutional Readiness for Change (10 items), 0.897 for Knowledge Management Capacity (9 items), and 0.871 for Change Implementation Efficacy (8 items). All constructs therefore exceeded the commonly accepted minimum threshold of $\alpha \geq 0.70$, indicating strong internal consistency and supporting the reliability of the measurement scales.

Methods of Data Analysis

The quantitative data were processed and analyzed using SPSS Version 28 and SmartPLS Version 4. The analysis was conducted in sequential stages. First, descriptive statistics, including frequencies, percentages, means (μ), and standard deviations (σ), were used to

summarize respondents' demographic characteristics and describe their perceptions of leadership styles, institutional readiness for change, knowledge management capacity, and change implementation efficacy. Second, inferential statistical analyses were conducted to examine relationships and differences among the study variables. Pearson's correlation coefficient (r) was used to assess the direction and strength of bivariate relationships among the constructs, while one-way analysis of variance was employed to determine whether statistically significant differences existed across institutional generations. Third, multiple regression analysis and Partial Least Squares Structural Equation Modeling were employed to test the hypothesized relationships among the constructs, including direct and indirect effects. PLS-SEM was further used to assess the measurement and structural models and estimate the hypothesized direct and mediating paths. The quantitative analysis therefore provided the empirical basis for identifying significant relationships and informing the qualitative phase of the explanatory sequential design.

$$CR_i = \beta_0 + \beta_1 TFL_i + \beta_2 TAL_i + \beta_3 LFL_i + \beta_4 KM_i + \gamma Controls_i + \epsilon_i$$

$$KM_i = \alpha_0 + \alpha_1 TFL_i + \alpha_2 TAL_i + \alpha_3 LFL_i + u_i$$

Where:

- CR_i = Change Readiness and Management Outcome for individual i
- TFL_i = Perceived Transformational Leadership score
- TAL_i = Perceived Transactional Leadership score
- LFL_i = Perceived Laissez-Faire Leadership score
- KM_i = Knowledge Management Process index
- $Controls_i$ = Vector of institutional controls (University Generation, Academic Rank)
- β_0, α_0 = Intercept terms
- $\beta_1 - \beta_4, \alpha_1 - \alpha_3$ = Structural path coefficients
- ϵ_i, u_i = Stochastic error terms

Qualitative data from KIIs and FGDs were transcribed, translated from Amharic into English, coded, and processed using thematic analysis following Braun and Clarke's framework. Emerging themes were integrated with quantitative findings during the explanatory synthesis phase.

Results and Discussion

Table 1: *Descriptive Statistics for Perceived Leadership*

Leadership Dimension	Mean (μ)	Std. Dev.	Evaluation
Transformational Leadership	2.84	0.76	Moderate
Idealized Influence	2.71	0.82	Low–Moderate
Inspirational Motivation	2.95	0.79	Moderate
Intellectual Stimulation	2.68	0.81	Low–Moderate
Individualized Consideration	3.02	0.74	Moderate
Transactional Leadership	3.42	0.65	Moderate–High
Contingent Reward	3.21	0.70	Moderate
Management-by-Exception (Active)	3.63	0.61	High
Laissez-Faire Leadership	3.18	0.84	Moderate

Respondents evaluated their executive and immediate academic leaders across the three FRLT leadership dimensions on a 5-point Likert scale (1 = Very Low to 5 = Very High). The descriptive empirical results indicate that top and middle leadership across Ethiopian public universities are predominantly perceived as exhibiting Transactional ($\mu=3.42$) and Transactional-Laissez-Faire ($\mu=3.18$) leadership behaviors. Transformational leadership practices remain relatively low ($\mu=2.84$), with intellectual stimulation ($\mu=2.68$) recording the lowest mean score among the dimensions.

Table 2: *Institutional Readiness for Change Assessment*

Readiness Dimension	Mean (μ)	Std. Dev.	Level
Discrepancy (Perceived Need)	3.82	0.61	High
Efficacy (Capability to Change)	2.74	0.78	Low–Moderate
Principal Support (Leader Commitment)	2.61	0.83	Low–Moderate
Valence (Personal/Institutional Value)	2.89	0.72	Moderate
Overall Change Readiness Index	3.02	0.68	Moderate

Institutional change readiness was evaluated across four primary cognitive and structural dimensions. The empirical output reveals a critical structural divergence: while academic staff strongly acknowledges the discrepancy or necessity for change ($\mu=3.82$), their perceived change efficacy ($\mu=2.74$) and trust in principal leadership support ($\mu=2.61$) are substantially lower.

Table 3: *Descriptive Statistics for Change Readiness*

Variables	(1)	(2)	(3)	(4)	(5)
(1) Transformational Leadership	1.000				
(2) Transactional Leadership	.214**	1.000			
(3) Laissez-Faire Leadership	-.389**	.102*	1.000		
(4) Knowledge Management	.542**	.188**	-.412**	1.000	
(5) Change Readiness/Outcome	.584**	.201**	-.451**	.612**	1.000

Note: $p < .05$; $p < .01$

Pearson correlation analysis was conducted to establish initial bivariate associations among the study constructs. The correlation matrix demonstrates a strong, positive, and statistically significant association between Transformational Leadership and Change Readiness ($r = .584$, $p < .01$), as well as between Knowledge Management and Change Readiness ($r = .612$, $p < .01$). Laissez-Faire leadership displays a strong, statistically significant negative correlation ($r = -.451$, $p < .01$).

Table 4: *Structural Path Coefficients and Hypotheses Testing*

Path / Hypothesis	Path (β)	t-value	p-value	Result
H1: Transformational Leadership $\rightarrow$ Readiness	0.412	8.941	< 0.001	Supported
H2: Transactional Leadership $\rightarrow$ Readiness	0.118	2.415	0.016	Supported
H3: Laissez-Faire Leadership $\rightarrow$ Readiness	-0.284	-6.128	< 0.001	Supported
H4: Strategic Leadership $\rightarrow$ KM $\rightarrow$ Change	0.184	4.102	< 0.001	Supported

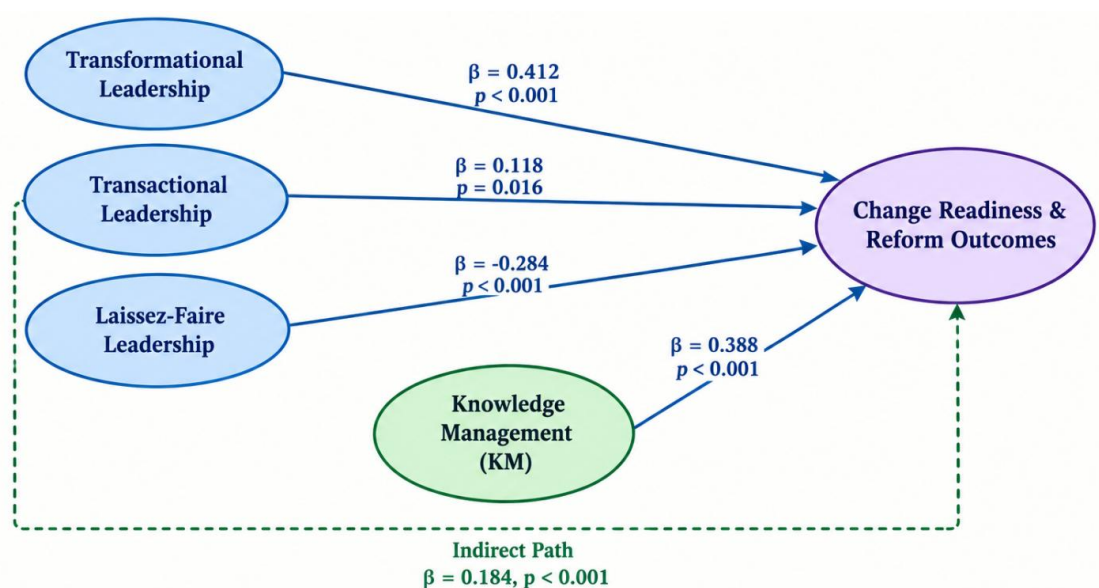
The structural equation modeling (SEM) results were used to test hypotheses H1 through H4 concerning the relationships between leadership styles, knowledge management, and institutional change outcomes. The model demonstrated an acceptable overall fit, as indicated by the SRMR of 0.048, NFI of 0.912, and Chi-Square/df ratio of 2.14. These fit indices suggest that the proposed structural model adequately represented the relationships observed in the data.

The results showed that transformational leadership had a positive and statistically significant direct effect on change management outcomes ($\beta = 0.412$, $p < 0.001$), supporting H1. This indicates that higher levels of transformational leadership were associated with better change management outcomes. Among the leadership styles examined, transformational leadership demonstrated a relatively strong positive relationship with change outcomes.

Similarly, transactional leadership had a positive but modest and statistically significant effect on change management outcomes ($\beta = 0.118$, $p = 0.016$), providing support for H2. Although the magnitude of this effect was smaller than that of transformational leadership, the result indicates that transactional leadership practices also contributed positively to the management of institutional change.

In contrast, laissez-faire leadership had a statistically significant negative effect on change management outcomes ($\beta = -0.284$, $p < 0.001$), supporting H3. The negative coefficient indicates that greater reliance on laissez-faire leadership was associated with poorer change management outcomes. This finding suggests that a leadership approach characterized by limited intervention and decision-making may hinder effective institutional change.

The results also indicated that knowledge management significantly mediated the relationship between leadership and change outcomes ($\beta = 0.184$, $p < 0.001$), supporting H4. This finding suggests that leadership influenced institutional change not only through direct effects but also indirectly by facilitating knowledge management processes. Overall, the structural model explained 52.4% of the variance in institutional change readiness ($R^2 = 0.524$), indicating that the combined effects of leadership styles and knowledge management accounted for a substantial proportion of the variation in institutional change readiness.

Figure 2: PLS-SEM Structural Path Diagram

The figure shows that transformational leadership ($\beta = 0.412$, $p < 0.001$), transactional leadership ($\beta = 0.118$, $p = 0.016$), and knowledge management ($\beta = 0.388$, $p < 0.001$) have significant positive effects on change readiness and reform outcomes, while laissez-faire leadership has a significant negative effect ($\beta = -0.284$, $p < 0.001$). In addition, the indirect effect through knowledge management is significant ($\beta = 0.184$, $p < 0.001$), indicating that knowledge management plays a mediating role in the relationship between leadership and change readiness and reform outcomes.

Table 5: ANOVA Comparison across University Generations

Variable	Gen I Mean	Gen II Mean	F-statistic	p-value
Transformational Leadership	3.02	2.68	14.821	< 0.001
Transactional Leadership	3.35	3.48	3.112	0.078
Change Readiness Index	3.24	2.81	18.945	< 0.001

A one-way ANOVA was conducted to examine differences in leadership practices and change readiness across university generations, and the results supported Hypothesis 5, showing that First Generation universities had significantly higher mean scores for transformational leadership ($\mu = 3.02$) and institutional change readiness ($\mu = 3.24$) than Second Generation universities ($\mu = 2.68$ and $\mu = 2.81$, respectively), with the differences being statistically significant ($p < 0.001$).

Qualitative Results: Thematic Analysis

Thematic analysis of 24 Key Informant Interviews and 8 Focus Group Discussions yielded four overarching qualitative themes explaining the mechanisms behind the quantitative findings:

Theme 1: Political Appointmentocracy and Autonomy Constraints

Key informants highlighted that the process of selecting executive leadership in public universities often prioritizes political loyalty over proven academic leadership competencies.

A senior academic staff participant (FGD-3, Gen II) stated:

"University leadership positions are frequently treated as political assignments rather than professional academic roles. When executive leaders are appointed based on criteria other than merit, they often lack the transformational skills and academic credibility needed to inspire faculty. Their primary orientation becomes satisfying top-down state directives rather than building bottom-up academic consensus."

Theme 2: Contextualized Corporate Reform Directives

Participants across all focus groups noted that tools such as BPR and BSC were directly transplanted into universities from civil service contexts without adapting to academic realities. A Dean at a First Generation university (KII-08) observed:

"BPR and BSC were treated as universal management tools. In a manufacturing plant or tax office, processes can be standardized strictly. But higher education involves research, critical inquiry, and complex pedagogical dynamics. Forcing faculty to measure academic output through rigid civil service templates created bureaucratic friction and resistance."

Theme 3: Structural Resistance and Faculty Disillusionment

Qualitative findings indicated that academic staff resistance is rarely an unreasoned opposition to change itself; rather, it often stems from change fatigue, lack of consultation, and low perceived personal benefit (valence). A Department Head (FGD-6) remarked:

"We have experienced wave after wave of reform initiatives—BPR, BSC, modularization, institutional differentiation. Yet, the core structural problems—laboratory facilities, internet access, research funding, and living conditions—remain unaddressed. Faculty members view new change mandates with cynicism because they feel their basic operational needs are neglected."

Discussion of Findings

The empirical results of this study align with and extend global, regional, and national literature on organizational change management within higher education.

The finding that **Transformational Leadership** exerts a direct, significant positive effect on change readiness ($\beta=0.412$) supports Bass and Avolio's Full Range Leadership Theory and reinforces empirical evidence from African higher education contexts (Zelege, 2021). Transformational leaders build shared vision, provide intellectual stimulation, and address individual faculty concerns, thereby reducing resistance and fostering change efficacy. However, the descriptive finding that transformational leadership remains underrepresented ($\mu=2.84$) across Ethiopian public universities helps explain the historical difficulty in sustaining institutional reforms.

The finding that top university leaders rely heavily on **Transactional** and **Laissez-faire** behaviors mirrors previous assessments by Gebremedhin (2023) and Jinga and Oumer (2025). Laissez-faire leadership in particular exhibited a strong negative relationship with change outcomes ($\beta=-0.284$). In loosely coupled systems like universities, administrative avoidance or delayed decision-making exacerbates organizational ambiguity, weakens departmental communication, and creates structural inertia.

The significant mediating role of **Knowledge Management** ($\beta=0.184$) confirms the empirical conclusions of Ferede et al. (2024). In higher education, change management is fundamentally a knowledge-driven process. Strategic leaders who establish clear information sharing, transparent policy communication, and institutional learning loops mitigate information asymmetry, reduce faculty cynicism, and enhance overall change readiness.

Finally, the qualitative insights regarding non-meritocratic appointments and uncontextualized corporate reform tools align with Institutional Theory (DiMaggio & Powell, 1983). Ethiopian public universities, subjected to coercive pressure from state ministries, frequently adopt corporate reform tools symbolically to maintain regulatory legitimacy, resulting in a disconnect between formal policy mandates and actual academic practice.

Conclusions and Recommendations

Conclusions

The findings demonstrate that change management in Ethiopian public universities is shaped by the interaction of leadership practices, organizational readiness, knowledge management, and institutional context. The relatively stronger association of transformational leadership with change readiness, alongside the weaker contribution of transactional leadership and the negative relationship associated with laissez-faire leadership, suggests that institutional transformation requires leadership practices that extend beyond routine compliance and exchange-based management. Although academic staff reported a relatively high perception of the need for change, lower levels of perceived efficacy and leadership support indicate a consequential gap between recognizing the need for reform and possessing the organizational conditions required to implement it effectively. The significant role of knowledge management further indicates that leadership influence on change outcomes is partly dependent on the capacity of universities to create, share, and utilize knowledge through effective communication and organizational learning processes. Differences across institutional generations also suggest that organizational maturity and accumulated administrative experience are relevant contextual conditions for change readiness, although such differences should not be interpreted as inherent advantages of any particular university generation. Overall, the evidence indicates that the implementation of reforms such as BPR, BSC, and institutional differentiation requires context-sensitive governance approaches that recognize academic autonomy, professional participation, shared decision-making, and the distinctive knowledge-intensive nature of universities. Sustainable institutional transformation therefore depends not on the adoption of managerial models in isolation, but on aligning leadership, knowledge-management processes, organizational readiness, and governance arrangements with the institutional realities of Ethiopian public higher education.

Recommendations

Policy Recommendations for the Ministry of Education (MoE)

- **Depoliticize and Professionalize University Leadership Appointments:** Establish independent, transparent, and merit-based competitive selection frameworks for university executive leadership (Presidents and Vice Presidents), prioritizing proven

academic excellence, executive management capacity, and leadership metrics over political affiliation.

- **Contextualize Change Management Mandates:** Shift away from the rigid, uniform imposition of corporate civil service templates. Allow university senates and academic councils to adapt administrative frameworks to reflect higher education norms, professional autonomy, and shared governance.
- **Strengthen University Autonomy:** Progressively expand genuine administrative, financial, and academic autonomy to public universities, allowing institutional boards to design contextualized strategic plans aligned with national developmental priorities.

Operational Recommendations for University Executive Leadership

- **Adopt Transformational and Distributed Leadership Frameworks:** Transition from authoritarian management toward transformational practices—emphasizing shared visioning, intellectual stimulation, and individualized support for academic units. Empower middle managers (Deans and Department Heads) with formal authority, strategic leadership training, and operational resources.
- **Invest in Integrated Knowledge Management Infrastructure:** Build transparent digital communication channels, centralized institutional data repositories, and collaborative decision-making platforms to reduce information asymmetry and minimize change-related ambiguity.
- **Enhance Faculty Inclusion and Change Valence:** Involve academic staff early in the design and planning phases of institutional change. Align institutional reform objectives with clear incentives, research support, workload balance, and professional development opportunities to improve change valence and efficacy.

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