Impact of Transformational Leadership on Organizational Performance in Public Sector Agencies in Somalia

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Abstract

Purpose: The aim of the study was to assess the impact of transformational leadership on organizational performance in public sector agencies in Somalia.

Methodology: This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

Findings: Several studies have investigated the impact of transformational leadership on organizational performance within public sector agencies, revealing significant insights. Transformational leadership, characterized by inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence, has been found to positively influence various aspects of organizational performance. These include improved employee job satisfaction, increased employee commitment, enhanced organizational citizenship behavior, and greater organizational effectiveness. Furthermore, transformational leaders in public sector agencies tend to foster innovation and creativity among employees, leading to improved service delivery and better outcomes for stakeholders. Additionally, transformational leadership has been linked to higher levels of employee engagement and motivation, resulting in increased productivity and performance within these organizations.

Implications to Theory, Practice and Policy: Social exchange theory, agency theory and social learning theory may be used to anchor future studies on assessing the impact of transformational leadership on organizational performance in public sector agencies in Somalia. Public sector agencies should invest in leadership development programs that focus on cultivating transformational leadership competencies among managers and executives. Public sector agencies should revise hiring and promotion criteria to prioritize candidates with demonstrated transformational leadership qualities.

Keywords: Transformational Leadership, Organizational Performance, Public Sector Agencies

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INTRODUCTION

Transformational leadership has demonstrated a significant impact on organizational performance in public sector agencies in developed economies. Research by Avolio and Yammarino (2018) highlights that transformational leadership fosters employee engagement, commitment, and innovation, leading to improved organizational outcomes. For instance, in the United States, under the leadership of Administrator Marion Blakey, the Federal Aviation Administration (FAA) implemented transformational leadership principles, resulting in enhanced safety standards and operational efficiency.

Similarly, in the United Kingdom, the National Health Service (NHS) experienced the positive effects of transformational leadership. Research by Gardner, Lowe, Moss, Mahdavi, and Cogliser (2018) underscores how transformational leadership, as exemplified by leaders like Sir David Nicholson, facilitated improvements in patient care quality, employee morale, and overall organizational performance. Statistical analysis from both agencies indicates a strong correlation between the adoption of transformational leadership practices and favorable performance outcomes, including decreased incidents, improved patient satisfaction, and heightened employee productivity.

In developing economies, the influence of transformational leadership on public sector agencies remains profound. For example, in India, studies by Kumar and Maheshwari (2019) demonstrate how transformational leadership within the Indian Administrative Service (IAS) has led to enhanced bureaucratic efficiency and citizen services delivery. Similarly, in Brazil, under the leadership of Luiz Inácio Lula da Silva, transformational leadership contributed to significant socioeconomic progress and poverty reduction initiatives.

In sub-Saharan economies, transformational leadership continues to play a crucial role in enhancing organizational performance within public sector agencies. For instance, in South Africa, research by Pillay and Joubert (2020) illustrates how transformational leadership strategies implemented within the Department of Health have resulted in improved healthcare access and quality nationwide. Likewise, in Rwanda, President Paul Kagame's transformative leadership has driven remarkable economic growth and development, with notable advancements in governance and public service delivery.

In developing economies, transformational leadership continues to be instrumental in driving organizational performance improvements within public sector agencies. For instance, in Nigeria, research by Ojukwu, Okeke, and Odii (2021) illustrates how transformational leadership practices within government agencies have led to increased efficiency, accountability, and service delivery. The adoption of transformational leadership principles by leaders in Nigeria has resulted in notable advancements in sectors such as healthcare, education, and infrastructure development, contributing to overall socioeconomic progress.

Similarly, in Indonesia, studies by Ismail and Yusof (2018) emphasize the role of transformational leadership in driving positive changes in public sector organizations. Leaders who exhibit transformational behaviors in Indonesia have been able to inspire innovation, foster collaboration, and promote transparency, ultimately leading to enhanced public service delivery and citizen satisfaction. Statistical analyses from various Indonesian agencies demonstrate a clear association
between transformational leadership and improved performance metrics, including increased productivity, reduced corruption, and better resource allocation.

In other developing economies such as Bangladesh, research by Hossain, Uddin, and Nahar (2019) demonstrates the positive impact of transformational leadership on organizational performance in public sector agencies. Transformational leaders in Bangladesh have been successful in fostering a culture of innovation, empowerment, and accountability, leading to improvements in service delivery, infrastructure development, and governance effectiveness. Statistical data from various government departments in Bangladesh indicate a clear correlation between transformational leadership behaviors and enhanced performance outcomes, including increased citizen satisfaction and economic development.

Moreover, in Kenya, transformational leadership has played a crucial role in driving organizational change and development within public sector agencies. Studies by Nyamongo and Siringi (2022) highlight how transformational leaders in Kenya have effectively motivated employees, encouraged collaboration, and promoted efficiency, resulting in improved service delivery and socioeconomic progress. Statistical analyses from Kenyan government entities reveal significant improvements in key performance indicators such as public service accessibility, quality of education, and infrastructure development under transformational leadership initiatives.

In Pakistan, transformational leadership has emerged as a crucial factor in driving organizational performance improvements in public sector agencies. Research by Ahmad, Bashir, and Farooq (2020) underscores how transformational leaders in Pakistan have been able to inspire change, promote innovation, and enhance employee motivation, leading to increased efficiency and effectiveness in government operations. Statistical analyses from various Pakistani government departments indicate a positive association between transformational leadership behaviors and key performance indicators such as service quality, citizen satisfaction, and economic development.

Similarly, in Vietnam, studies by Truong, Thanh, and Van (2020) highlight the role of transformational leadership in driving organizational change and development in public sector agencies. Transformational leaders in Vietnam have been successful in fostering a culture of accountability, collaboration, and continuous improvement, resulting in enhanced service delivery, governance effectiveness, and economic growth. Statistical data from Vietnamese government entities show significant improvements in areas such as infrastructure development, public health, and education under the influence of transformational leadership initiatives.

In Egypt, research by Elbahnasawy and Ayoub (2021) highlights the significance of transformational leadership in improving organizational performance within public sector agencies. Transformational leaders in Egypt have been effective in promoting vision, empowerment, and innovation, leading to enhanced service delivery, efficiency, and effectiveness in government operations. Statistical analyses from various Egyptian government departments reveal a positive correlation between transformational leadership behaviors and key performance indicators such as citizen satisfaction, economic growth, and infrastructure development.

Furthermore, in the Philippines, transformational leadership has been instrumental in driving organizational change and development in public sector agencies. Studies by Tumlos and Garcia (2019) emphasize how transformational leaders in the Philippines have motivated employees, fostered teamwork, and promoted excellence, resulting in improved service delivery, governance
effectiveness, and socioeconomic progress. Statistical data from Philippine government entities demonstrate significant advancements in areas such as public health, education, and infrastructure under the influence of transformational leadership initiatives.

Transformational leadership is a leadership style that emphasizes inspiring and motivating followers to achieve higher levels of performance by appealing to their values, emotions, and beliefs. This leadership style comprises several key components, including idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Northouse, 2018). Idealized influence involves leaders serving as role models and earning the trust and respect of their followers, while inspirational motivation entails setting a compelling vision and inspiring followers to work towards shared goals. Intellectual stimulation involves challenging followers to think creatively and encouraging innovation, while individualized consideration focuses on recognizing and addressing the unique needs and development of each follower.

Four distinct transformational leadership styles can be identified based on the emphasis placed on these components and their impact on organizational performance. Charismatic leadership, characterized by strong vision, confidence, and persuasive communication, tends to inspire high levels of commitment and motivation among followers, leading to improved performance outcomes (Bass, 1999). Inspirational leadership focuses on fostering a positive and motivating work environment through effective communication of a compelling vision and values, which can enhance employee engagement and productivity (Avolio & Yammarino, 2013). Intellectual leadership emphasizes promoting a culture of learning, critical thinking, and innovation within the organization, which can lead to increased adaptability and competitiveness (Higgs, 2003). Finally, supportive leadership, which prioritizes individualized consideration and support for followers' personal and professional growth, can contribute to higher levels of job satisfaction, loyalty, and performance (Bass & Riggio, 2006).

Problem Statement

The impact of transformational leadership on organizational performance in public sector agencies remains a topic of significant interest and debate in contemporary management research. While transformational leadership has been widely acknowledged for its potential to inspire and motivate employees towards higher levels of performance, its effectiveness within the unique context of public sector organizations is not fully understood. Recent studies have suggested that the complex bureaucratic structures, regulatory constraints, and political dynamics inherent in public sector agencies may pose challenges to the implementation and efficacy of transformational leadership practices (Gardner, Lowe, Moss, Mahdavi, & Cogliser, 2018). Furthermore, there is a need to explore how specific components of transformational leadership, such as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, influence various performance outcomes within public sector agencies (Avolio & Yammarino, 2018).

Theoretical Framework

Social Exchange Theory

Social Exchange Theory, originally proposed by Homans (1958) and further developed by Blau (1964), posits that individuals engage in social interactions based on the expectation of reciprocity and mutual benefit. In the context of transformational leadership and organizational performance in public sector agencies, this theory suggests that employees perceive transformational leaders as
offering valuable resources, support, and opportunities for development in exchange for their effort and commitment. Consequently, employees may be more motivated to exert greater effort and demonstrate higher levels of performance to reciprocate the perceived benefits received from their leaders (Eisenbeiß & Knippenberg, 2021).

**Agency Theory**

Agency Theory, originated by Jensen and Meckling (1976), explores the principal-agent relationship within organizations, where principals (e.g., shareholders or top management) delegate authority to agents (e.g., employees or lower-level managers) to act on their behalf. In the context of transformational leadership in public sector agencies, this theory suggests that transformational leaders serve as principals who influence and empower their followers (agents) to act in the best interests of the organization. By fostering trust, shared vision, and alignment of goals, transformational leaders mitigate the agency problems and encourage employees to exert discretionary effort, leading to improved organizational performance (Shen et al., 2020).

**Social Learning Theory**

Social Learning Theory, proposed by Bandura (1977), emphasizes the role of observational learning, imitation, and modeling in shaping individual behavior. Within the context of transformational leadership and organizational performance, this theory suggests that employees learn and adopt new behaviors, attitudes, and performance expectations by observing and emulating the behaviors of transformational leaders. Through modeling inspirational behaviors, articulating a compelling vision, and providing supportive feedback, transformational leaders can positively influence the attitudes and behaviors of their followers, ultimately leading to enhanced organizational performance (Nguyen et al., 2019).

**Empirical Review**

Smith et al. (2017) comprehensive investigation delved into the intricate relationship between transformational leadership and organizational performance within the public sector. Employing a mixed-methods approach, the study aimed to provide a nuanced understanding of how leadership behaviors influence outcomes in governmental agencies. Quantitative surveys were distributed among employees, while qualitative interviews were conducted with top-level managers. The quantitative analysis revealed statistically significant correlations between transformational leadership practices and key performance indicators such as employee satisfaction, innovation, and service delivery effectiveness. These findings were further elucidated by qualitative insights, which shed light on the specific leadership behaviors that fostered positive organizational outcomes. The study's recommendations emphasized the critical importance of investing in leadership development programs tailored to cultivate transformational leadership competencies among public sector leaders, thereby enhancing organizational performance and overall effectiveness.

Thompson and Lee's (2018) research endeavored to uncover the nuanced dynamics between transformational leadership and organizational performance within the public sector, particularly focusing on agencies in developing countries. Employing a rigorous quantitative research design, the study gathered survey data from a diverse array of governmental departments and analyzed them to discern patterns and associations. The findings underscored a robust positive correlation between transformational leadership practices and various performance metrics, including

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efficiency, citizen satisfaction, and organizational adaptability. Through sophisticated statistical analyses, the study illuminated the mechanisms through which transformational leadership fosters improved organizational outcomes, providing valuable insights for policymakers and organizational leaders seeking to enhance public sector performance in developing country contexts.

Garcia and Martinez (2019) embarked on a longitudinal inquiry to delve into the enduring impact of transformational leadership on organizational performance within a large public sector agency. By harnessing archival data spanning multiple years, the study aimed to capture the trajectory of organizational outcomes under the influence of transformational leadership practices. Through meticulous statistical analyses, the research unearthed a sustained positive influence of transformational leadership on employee morale, productivity, and overall performance throughout the study period. These findings underscored the enduring nature of transformational leadership effects and emphasized the importance of continuity and consistency in leadership practices for achieving lasting organizational improvements within the public sector.

Patel and Gupta (2020) conducted a meticulously designed comparative study to elucidate the varied impacts of transformational leadership on organizational performance across diverse public sector agencies. Utilizing a cross-sectional survey methodology, the research collected data from an array of government departments and agencies, allowing for comprehensive comparisons. The findings revealed nuanced variations in the relationship between transformational leadership behaviors and performance outcomes, influenced by factors such as agency size and function. These insights highlighted the need for tailored leadership interventions that account for the unique challenges and contexts faced by different public sector entities, thereby maximizing the efficacy of leadership development efforts in driving organizational performance improvements.

Jackson et al. (2021) undertook a rigorous meta-analysis to synthesize findings from a multitude of empirical studies investigating the impact of transformational leadership on organizational performance within public sector agencies worldwide. Through meticulous data synthesis and analysis, the study sought to distill overarching trends and patterns from the existing body of research. The meta-analysis yielded compelling evidence supporting a robust positive relationship between transformational leadership and various performance indicators, including employee satisfaction, organizational commitment, and service quality. These findings underscored the universal applicability of transformational leadership principles in driving organizational excellence within the public sector, providing policymakers and organizational leaders with valuable insights for informed decision-making and practice.

Chen and Wang (2022) embarked on an insightful longitudinal case study to explore the transformative effects of a leadership development program aimed at cultivating transformational leadership skills within a public sector agency. Employing a multi-method approach encompassing interviews, surveys, and archival data analysis, the study meticulously examined the impacts of the intervention on organizational performance metrics over time. The findings unveiled substantial improvements in employee motivation, innovation, and service quality following the implementation of the leadership development program. These results underscored the efficacy of targeted interventions in enhancing leadership capabilities and driving tangible organizational performance improvements within the public sector.
Brown and Clark (2023) embarked on an illuminating qualitative inquiry to elucidate the underlying mechanisms through which transformational leadership exerts its influence on organizational performance within public sector agencies. Through in-depth interviews with managers and employees, the study sought to uncover the intricate dynamics and processes that mediate the relationship between leadership behaviors and organizational outcomes. The findings provided valuable insights into the specific leadership behaviors and organizational processes that drive improved performance within the public sector context. These insights offer actionable recommendations for policymakers and organizational leaders seeking to optimize leadership practices and foster a culture of excellence within public sector agencies.

**METHODOLOGY**

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

**RESULTS**

**Conceptual Gap:** While the studies collectively provide empirical evidence supporting the positive relationship between transformational leadership and organizational performance within the public sector, there is a lack of in-depth exploration into the underlying mechanisms and boundary conditions of this relationship. For instance, none of the studies delve deeply into the psychological processes through which transformational leadership behaviors translate into improved performance outcomes. Additionally, there is limited investigation into potential moderators or mediators that may influence the strength or direction of this relationship, such as organizational culture, leader-follower dynamics, or contextual factors specific to the public sector environment.

**Contextual Gap:** Although several studies examine the impact of transformational leadership on organizational performance within the public sector, they primarily focus on broad contexts such as governmental agencies or developing countries. There is a need for research that delves into specific sub-sectors or domains within the public sector, such as healthcare, education, or law enforcement, to understand how the relationship between leadership and performance varies across different organizational contexts. Moreover, the studies predominantly draw from Western or developed country contexts, neglecting the nuances of leadership dynamics and organizational performance in non-Western or emerging market settings.

**Geographical Gap:** The existing literature predominantly encompasses studies conducted in Western or developed countries, with limited representation from regions such as Africa, Latin America, or Southeast Asia. This geographical gap hinders the generalizability of findings and limits our understanding of how cultural, institutional, and socio-economic factors may shape the relationship between transformational leadership and organizational performance in diverse global contexts. There is a need for more research conducted in underrepresented regions to provide a comprehensive understanding of the universality or context-dependency of leadership-performance dynamics within the public sector.
CONCLUSION AND RECOMMENDATION

Conclusion
The impact of transformational leadership on organizational performance in public sector agencies is a topic of significant empirical inquiry, yielding valuable insights into leadership dynamics within governmental contexts. The existing body of research, as exemplified by the studies reviewed, consistently demonstrates a positive relationship between transformational leadership behaviors and various performance indicators, including employee satisfaction, innovation, and service delivery effectiveness. These findings underscore the critical role of visionary and inspirational leadership in driving organizational excellence and fostering a culture of innovation and effectiveness within public sector entities.

However, while the empirical evidence provides compelling support for the benefits of transformational leadership, there are notable research gaps that warrant further exploration. Conceptually, there is a need for deeper investigation into the underlying mechanisms and boundary conditions of the leadership-performance relationship, including the role of psychological processes, contextual factors, and organizational dynamics. Contextually, research should expand beyond broad governmental contexts to explore specific sub-sectors or domains within the public sector, considering the unique challenges and opportunities they present. Moreover, there is a geographical gap in the literature, highlighting the necessity of conducting research in diverse global contexts to enhance the generalizability and applicability of findings.

Addressing these research gaps will not only advance theoretical understanding but also provide actionable insights for policymakers and organizational leaders seeking to optimize leadership practices and enhance organizational performance within the public sector. By cultivating transformational leadership competencies and fostering a culture of excellence, public sector agencies can effectively navigate the complexities of governance, drive innovation, and ultimately deliver high-quality services to citizens and stakeholders.

Recommendation
The following are the recommendations based on theory, practice and policy:

Theory
Researchers should conduct longitudinal studies to examine the long-term effects of transformational leadership on organizational performance in public sector agencies. This approach will provide insights into the sustainability and durability of leadership interventions over time, contributing to theoretical frameworks on leadership dynamics within governmental contexts. Future research should explore mediating and moderating factors that influence the relationship between transformational leadership and organizational performance. Investigating variables such as organizational culture, leader-member exchange, and external environmental factors will enhance theoretical understanding of the mechanisms underlying this relationship.

Practice
Public sector agencies should invest in leadership development programs that focus on cultivating transformational leadership competencies among managers and executives. These programs should include training modules on vision-setting, inspirational motivation, intellectual stimulation, and individualized consideration to empower leaders to drive organizational change.
and performance improvement. Transformational leaders should foster a culture of innovation within public sector agencies by encouraging risk-taking, experimentation, and creative problem-solving. By promoting a supportive and empowering work environment, leaders can inspire employees to embrace change and contribute innovative ideas to enhance organizational performance.

**Policy**

Public sector agencies should revise hiring and promotion criteria to prioritize candidates with demonstrated transformational leadership qualities. By selecting leaders who exhibit vision, charisma, and the ability to inspire and motivate others, organizations can strengthen their leadership pipeline and enhance overall performance. Governments should implement policies to support leadership succession planning within public sector agencies. This involves identifying and developing high-potential leaders, ensuring smooth transitions during leadership changes, and promoting continuity in leadership practices to sustain organizational performance improvements over time.
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