## THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: IN CASE OF JIMMA UNIVERSITY



# BY- SOLOMON KIBROM MAIN ADVISOR Mr. BELAY CHEKOL CO-ADVISOR Mr. WONDIMU ABULE

JIMMA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

DECEMBER, 2020 JIMMA ETHIOPIA

## THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: IN CASE OF JIMMA UNIVERSITY



A Thesis Submitted To Jimma University, College Of Business And Economics Department Of Management In Partial Fulfillment Of The Requirements For The Degree Of Master In Public Management.

BY- SOLOMON KIBROM

MAIN ADVISOR Mr. BELAY CHEKOL

CO-ADVISOR Mr. WONDIMU ABULE

JIMMA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

DECEMBER, 2020 JIMMA ETHIOPIA

#### **CERTIFICATE**

This is to certify that the research entitles The Role of Transformational Leadership on Organizational Performance (Jimma University). Submitted to Jimma University for the award of the Degree of Master of public management (MPM) and is a record of confide research work carried out by Mr.- Solomon Kibrom under our guidance and supervision. Therefore, we hereby declare that no part of this thesis/research has been submitted to any other university or institutions.

Adviser's Name	Date	Signature
Mr. Belay Chekole		
	Date	Signature
Mr. wondimu Abule		

#### **ACKNOWLEDGEMENT**

First of all, I would like to thank the almighty GOD for the precious gift of life, wisdom and health that he awarded me during my study period. I extend my special thanks and sincere appreciation to my advisors Mr. Belay Chekole and Mr. Wondimu Abule for unreserved effort to equip me with the knowledge and skills of research methods.

### **List of Acronyms & Abbreviations**

C.T	Critical thinking
I.C	Individualized consideration
I.I	Idealized influence
I.M	Inspirational motivation
I.S	Intellectual stimulation
J.U	Jimma University
O. P	Organizational performance
T.L	Transformational leadership
V.P	Vice President

#### **Abstract**

Transformational leadership plays a very important role in enhancing organizational performance. The objective of this study was to investigate the role of transformational leadership on organizational performance in Jimma University. the study was focused on transformational leadership style to assess the managerial and leadership problems which is shown on the Organization by level of from top to line management. The study employed descriptive and explanatory research design. Self-administrative questionnaire was distributed to 359 sample population drawn through stratified sampling technique from both academic and administration staff. The data collected were analyzed through descriptive and regression analysis by using SPSS Version 25 software. The results were presented using tables and figures which included bar charts and pie charts. The study found that individualized consideration influences organizational performance in Jimma University to a moderate extent. The study revealed that leaders act as coaches and advisors to individuals. In addition, leaders' mentor the junior staff to improve personal and professional growth and that leaders support a flexible work schedule. In addition, the study found that leaders in Jimma University encourage imagination and creativity. Further, the relationship between the staff and the leaders was considered good; employees in the organization were involved in problem solving and participated in decision-making. In addition, the study found that the relationship between the staff and the leaders was considered good; employees in the organization were involved in problem solving and participated decision-making. The study also indicates that leaders have articulated a clear vision for the future and exhibit a commitment to the goals that have been laid out. Based on the conclusion, the study recommends that the management should focus on acknowledge and attend to the needs of employees. In addition, the organization should develop a coaching and mentorship program to improve the skills of the staff, which can subsequently influence their productivity and hence performance Based on the findings the study concludes that idealized influence, inspirational motivation, individualized consideration and intellectual stimulation had significant influence on the organizational performance of Jimma University..

**Key Words**: Transformational Leaders hip, Organizational Performance.

#### **Contents**

ACKNOWLEDGEMENT	I
List of Acronyms & Abbreviations	II
Abstract	III
Contents	IV
List of Tables	VII
List of Figures	VIII
CHAPER ONE	1
INTRODUCTION	1
1.1. Background of the Study	1
1.1.1. The Study Area Profile	3
1.2. Statements of Problem	4
1.3.Research Questions	6
1.4 Objectives of the Study	7
1.4.1 General Objective	7
1.4.2 Specific Objectives:	7
1.4.3. Significance of the Study:	7
. 1.4.4. Scope of the Study:	8
1.6 Research gap Error! Bookmark	not defined.
1.7 Organization of the Study	9
CHAPTER TWO	10
Review of Related Literature	10
2.1 Introduction	10
2.1.2 Leadership	10
2.1.3 Transformational Leadership	11
2.2 Influence of Individualized Consideration on Organizational Performance	16
2.2.1 Organizational Performance	not defined.
2.2.2 University performance	17
2.2.3 Employee Needs and Concerns	18
2.2.4 Individual Coaching and Mentoring of Followers	19
2.2.5 .Coaching	20
2.2.6 Mentoring	21
2.2.7 Employee Problem Solving and Critical Thinking	21

	2.2.8 Followers Involvement in Decision Making	. 23
	2.2.9 Employee Motivation	. 23
	2.3. Vision Articulation	. 24
	2.3.1 Leadership and management	.26
	2.3.2 Transformational Leadership and Organizational Performance	. 26
	2.3.3 Change Management	.27
	2.4 Empirical Review	.27
	2.5 Conceptual Framework	. 28
C	HAPTER THREE	.30
R	esearch Design and Methodology	.30
	3.1 Introduction	.30
	3.2 Research Design and Approach	.30
	3.3 Data Sources	.30
	3.4. Population and Sampling Design	.31
	3.4.1. Population	.31
	3.5 Sampling techniques	.31
	3.6. Data Gathering Instruments	.32
	3. 7. Data Collection Procedures	.32
	3.8. Methods of Data Analysis	.33
	3.9 Ethical Consideration	.34
	3.10. Validity and reliability	.34
C	HAPTER FOUR	.35
R	esults and Findings	.35
	4.1. Introduction	.35
	4.1.1 Response Rate	.35
	4.2 Demographics	.35
	4.2.1 Gender of the Respondents	.35
	4.2.2 Age Bracket of the Respondents	.36
	4.2.3. Respondents' Highest Level of Education	.37
	4.2.4. Respondents' Length of service	.38
	4.3.4 Descriptive Analysis	.39
	4.4. Overall Performance	.49
	4.4.1 Inferential Statistics	.50
	4.4.2 Correlation Analysis	50

4.5. Regression Assumptions Tests	51
4.5.1. Normality Test	51
4.5.2. Linearity Test	52
4.5.3. Multicollinearity Test	54
4.6. Regressing transformational leadership on organizational performance	55
CHAPTER FIVE	59
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	59
5.1 Introduction Error! Bookmark no	t defined.
5.2 Summary of major findings	59
5.3 Conclusion	60
5.4. Recommendations	61
5.5 Recommendation for Further Studies	62
REFERENCE	63
APPENDIX I	65
APPENDIX II	66
QUESTIONNAIRE	66
APENDIX II	71

#### **List of Tables**

Table 3.1: Sample Size for the Study
Table 4.1: Response Rate
Table 4.2.: Mean and Standard Deviation: Results of the Respondents' on Idealized influence 41
Table 4.3: Mean & Standard Deviation: Results of Respondents' on Individual Consideration 43
Table 4.4: Mean & Standard Deviation: Results of Respondents' on Intellectual Stimulation 45
Table 4.5: Mean & Standard Deviation: Results of Respondents' on Inspirational Motivation 47
Table 4.6: Mean & Standard Deviation: Results of Respondents' on organizational performance  Error! Bookmark not defined.
Table 4.7: Overall Performance
Table4.8: Model of Summary
Table 4.9: ANOVA table
Table 4. 11: Coefficients of Regression Analysis

### **List of Figures**

Figure 4.1: Gender of the respondent	37
Figure 4. 2: Ages of Respondents	38
Figure 4. 3: Highest level of education	39
Figure 4.4: Respondents length of service	40

#### **CHAPER ONE**

#### INTRODUCTION

This chapter includes that background of the study, statement of the problem, research question, and objective of the study, significance of the study, scope of the study, operational terms and the profile of Jimma University.

#### 1.1. Background of the Study

Transformational leaders alter and modify the culture of their organizations by inspiring a sense of purpose and mission on the significance of teamwork and stimulating new ways of problem solving and thinking. This inspires employees in an organization to perform better. Transformational leadership has an influence on the fundamental assumptions and attitudes of members in an organization developing a common mentality to achieve the goals and objectives of an organization (Mwangi &Kwasira, 2015).

According to Burns Transformational leadership consists of four components: (a) idealized influence, (b) inspirational motivation, (c) intellectual stimulation, and (d) individualized consideration (B. M. Bass, 1999, 2006; Kirkbride & Kirkbride, 2006; Lim & Ployhart, 2004; T & Gardner, 2005).

Various researchers around the world have looked at the influence of transformational leadership on organizational performance. In Canada, Hancott (2014) established that the best performing companies were significantly using transformational leadership as compared to poor performing companies. This argument is supported by Mortazavi and Partovi (2014) findings that transformational leadership has a positive and significant influence on organizational commitment, employee motivation and job satisfaction in Iran. Veiseh, Mohammad, Pirzadian and Sharafi (2015) also found that the characteristics of transformational leadership such as inspirational motivation, hopeful influence, personal observations and intellectual encouragement influence both organizational culture and performance. In Turkey, Erkutlu (2008) indicates that transformational leadership stimulates organizational commitment, which in turn influences job satisfaction. This is achieved by leaders behaving in ways that inspire and motivate their followers, paying attention to the needs of each follower, ensuring a supportive organizational climate and encouraging a two-way communication in the organization.

According to Garcia Morales, Llorens-Montes and Verdu-Jover (2008), this style of leadership generates higher performance than any other leadership style. Provided that evidence companies that initiate technological change tend to grow more rapidly. Moreover, they suggest that organizations with successful change management strategies are more likely to survive and thus more likely to provide sustainable employment for their workers. Therefore, the effectiveness of organizations change management is connected with organizational performance and is very essential for competitive advantage.

Organizational performance can be measured in terms of organizational effectiveness, quality and cost, financial performance in terms of profit, return on assets and market share and human resource in terms of job performance and turnover rate. To improve the performance of an organization, leaders must promote innovation and creativity, improve individual employee performance and stimulate subordinates to challenge their own value systems. Raluca-Elena (2015) suggests that transformational leadership practices have a positive influence on organizational performance.

The success of an organization is highly dependent on employee commitment, job satisfaction and performance in terms of achieving its goals, customer satisfaction and maximization of profits (Abasilim, 2014). In the current business environment, one of the challenges organizations are facing is to select an appropriate leadership. The necessity of the competitive and dynamic business environment requires an increased focus on the most critical organizational element, which is leadership (ElKordy, 2013).

In any organization, leaders are crucial in motivating and helping their employees to be competitive and committed to the achievement of the organizational goals and objectives by use of effective leadership styles. Consequently, the use of various leadership styles in an organization is meant to enhance standards of excellence in employee professional development. Effective leadership involves management, analytical skills, remuneration, motivation and inspiration of employees. When the effectiveness of leadership in an organization is enhanced, employee satisfaction increases, which in turn influences profitability, sales volume and customer satisfaction positively. According to Mortazavi and Partovi (2014),

In Egypt, ElKordy (2013) established that transformational leadership is significantly used in both public and private institutions. In addition, individualized consideration, charisma, intellectual stimulation and inspirational motivation were found to improve employee commitment and organizational performance. These findings are supported by Abasilim

(2014) argument that transformational leadership style has a positive and significant influence on organizational performance in Nigeria. According to Hancott (2014), inspirational motivation is shown when leaders articulate appealing visions of the employees and encourage them to take up ambitious goals. Intellectual stimulation in leaders is shown when they encourage their followers to be creative, innovative, take risks and challenge stable assumptions. Individualized consideration involves leaders showing concerns with employee performance and professional development. Even though various studies show that several organizations are adopting transformational 3 leadership, there is little empirical evidence on the role of transformational leadership on organizational performance in the banking industry in Kenya

There are possibilities for organizations to lose their repute and market share if they do not prepare themselves according to rapidly changing circumstances and situations. Different authors describe the significance of organizational change in different way, but it's an accepted fact that organizational change is important for sustainable business and long-term success. Accepting the greatness of organizational change and knowing the fact that practical steps are needed to make things happen, the next question may arise in minds that "who were take initiative to bring these changes for organizations, to take practical steps" and "who where be the person in charge". According to Mortazavi and Partovi (2014), Scholars and researchers also agree on the point that role of a leadership/leader is very important while managing organizations or addressing the issue of organizational change. Accordingly, this proposed study will try to examine transformational leadership role towards organizational performance in Jimma University.

#### 1.1.1. The Study Area Profile

Jimma University (JU) is a public university located in Oromia Regional state (south western part of Ethiopia), 354 km away from Addis Ababa, with diversified culture city at the hub of Coffee Arabica origin, Jimma as stated (Jimma University, 2015)

Jimma University was established in December 1999 following the amalgamation of the Jimma College of Agriculture (founded in 1952) and the Jimma Institute of Health Sciences (founded in 1983). Jimma University is well known for the natural atmosphere of its campuses. The University offers various programs and courses of study which was clustered in to seven colleges one institute of technology. These colleges run variety of undergraduate and postgraduate programs leading the award of degree, masters and PhD degrees. Furthermore there is a great initiative to launch postgraduate programs almost in all fields

of study and also it is recognized as the leading national university was ranked first by the Federal Ministry of Education for five successive years 2009 - 2015 Jimma University, the national pioneer in community based education, where education and research are strongly interlinked with the community to address its socio-economic problems.

Jimma University is one of the largest and comprehensive public research universities in the nation. It enjoys highest public reputation because of its innovative educational philosophy and successive competitive gains among the national higher learning intuitions excelling in education, research, community services and institutional transformation. Similarly, members of its faculty have received the highest recognition in their fields and have played role in the national development endeavors (JUP, 2015).

The university graduates' innovative professionals through its community oriented educational philosophy in the fields of agriculture, environment, health and medical sciences, natural and social sciences, technology and information sciences, business and economics, and education. The study practice at Jimma University is dynamic and provides academic tools, practical skills, and "real world" opportunities necessary to advance as leaders in their professions and their communities (*Jimma university profile*, 2015)

The university has many national and international linkages and collaborations in the area of research, education and community service. Its innovative educational philosophy, staff commitment and motivation and availability of better research facility have helped the university in attracting partners and sated in its message (*Jimma university profile*, 2015)

#### 1.2. Statements of Problem

Jimma University is one of the largest and comprehensive public research universities in the nation. It enjoys highest public reputation because of its innovative educational philosophy and successive competitive gains among the national higher learning intuitions excelling in education, research, community services and institutional transformation. Similarly, members of its faculty have received the highest recognition in their fields and have played role in the national development endeavors (JUP, 2015).

Today's fast-moving environment requires organizations to undergo changes almost constantly (Katter, 2010). Cited Deliga Amine 2016 Change is now becoming the global challenge for every organization because of technology, economic and worldwide modifications that enforce organizations to change. Changes in the organization are necessary with the passage of time through which organizations can gain edge in the market

or at least can survive in the rapidly changing market (Denning, 2005). Managing people in organizations is series of management process therefore, managers should realize, that people are the critical elements in organizations and that they should be recognized as being synonyms with the other organization. But the problem is, to what extents do managers recognize this fact employees are synonyms with organizations? Leader motivated the employee to achieve the organization goal.

The skills and knowledge of leaders are shaped by their carrier experience as they address increasingly complex problem solving in the organization. This notation of developing leadership skills is unique and quite different from other leadership perspective. if we say, leaders were used by their experiences then it means leaders are not born to be leaders (Mumford et al 2000) in the case of leaders style and organization performance certain studies had indicated that transformational leadership had a positive impact on organizational performance, while the other leadership (Rejas et al, 2006) other studies had established that while others leadership had significant positive effect on organizational performance of enterprises (Obiruwuital 2011).

Lack of leadership concentration on the complexity of change makes the process of change management ineffective (Karp &Helgo, 2008). While organizational change is a constant experience, knowledge and awareness about many of the critical issues involved in the management of such change is often lacking in those responsible for its progress. Clearly, if organizations are ever to experience a greater level of success in their development efforts, managers and executives need to have a better framework for thinking about change and an understanding of the key issues which organizational change management.

The role of transformational leadership is crucial for managing organizational performance; at the same point the process of transformational leadership is very complex and challenging in organizational performance. Benin's, W.1985 also acknowledges that the special qualities and characteristics are required for a leadership to bring successful organizational performance. Accordingly, as per the researcher knowledge the researcher focused on transformational leadership style to investigate the role of transformational leadership on organizational performance also the researcher focused on the managerial and leadership problems its shown from top level leaders to the line level leaders and also the researcher focused on this topic started from the different research gaps. The first research gap was the researcher not found a recent study conducted on the transformational leadership role to the management of organizational performance in academic and in administrative part of the

organization in ju in particular. Thus, this motivated the researcher to investigate this prominent point. However, in the researcher's best awareness the change implementation of the organization was not satisfactory because of the problems in leadership concentration of the researcher. Accordingly, this study was examined specifically transformational leadership role in organizational performance.

The second research gap regards to the location of the research. As has been highlighted in the literature, most studies in this topic emanate from the developed world and the least's are from Africa on profitable business organization like commercial and national banks level. But this research is based on an academic and non-profit organization (university). The study therefore adds on to the growing body of literature that seeks to understand the study of leadership from an African perspective. Bryman (2007) in his work on leadership has also indicated that there is a gap in the literatures on the role of transformational leadership as concerns higher education institutions performance. This means that there is a lack of focus in these institutions/organizations Jimma University when it comes to the literature on transformational leadership this is the gap that the current study sought to address. The existing scholarly work lacks information on the influence of transformational leadership on performance of the university of Jimma. Consequently, this study was conducted to addressed this gap by examining the role of transformational leadership on organizational performance in Jimma university.

#### 1.3. Research Questions

This study sought to address the following basic research questions;

- 1. What is the effect of idealized influence on organizational performance in Jimma University?
- 2. What is the effect of individualized consideration on organizational performance in Jimma University?
- 3. What is the effect of intellectual stimulation on organizational performance in Jimma University?
- 4. How does inspirational motivation effect on organizational performance in Jimma University?

#### 1.4 Objectives of the Study

#### 1.4.1 General Objective

The general objective of the study was to investigate the role of transformational leadership on organizational performance in Jimma University.

#### 1.4.2 Specific Objectives:

- To assess the effect of idealized influence on organizational performance in JU
- To examine the effect of individualized consideration in organizational performance in JU
- To analyze the effect of intellectual stimulation on organizational performance in JU
- To investigate the effect of inspirational motivation on organizational performance in JU.

#### 1.5. Significance of the Study:

This study believes that it would be useful in various aspects to the management and employees of the university as well as to the key stakeholders of the organization such as Jimma town administration, Jimma town community in different ways. It also helpful to the University employees as transformational leaders can understand their feelings, develop team sprite to work in collaboration, participate in decision making and treat them individually and this in turn stimulate them to exert their efforts in the accomplishment of organizational objectives.

The findings of this study also provide significant benefits to Jimma zone and town administrations in various ways. Among other things, transformational leaders support the administration in providing leadership skill training to management and employees of the zone, conduct research to solve the prevailing problems of the zone. Besides, the surrounding community benefited from the education, research and community-based services undertaken to mitigate local problems.

#### The results of this research benefit to the employees and for several stakeholders:

- **♣ Employees of the Organization:** The finding can provide information to the management of the organization to adjust their leadership in a way that can influence and motivate their followers for better performances
- ♣ Jimma zone administration: the findings that shows an administration is benefited
  by this study based on service delivery they are benefited through quality service
  when a time of working with together to maintain positive performance and to
  improve pessimistic views that could jeopardize the attainment of organizational
  objectives.

- **Clients and society:** as a whole community's are benefited if the employees, with whom they contact, maintain or improve their required performance.
- ♣ Other researchers: other researchers who wish to make a study on the same title, organization or both could use it as a springboard Finally the study will serve as references for prospective researchers who want conduct their study on same or related issues.

#### 1.6 Scope of the Study:

This study was being focused on to identify the role of transformational leadership on organizational performance in the case of Jimma University main campus. Despite the many components of transformational leadership, the study only focused on four key elements/characteristics of transformational leadership style: which is idealized influence, individualized consideration, intellectual stimulation and inspirational motivation. In addition, the study was focused on the organizational performance by the measurements of effectiveness, efficiency, Community service, qualities and problem solver research's and projects also the study was limited in Jimma University main campus. Further, the study was being limited to the academic and administrational staff according to the stratified of the management level which include-top level Vice Presidents, middle level College Deans and Directors and line level management Head of Departments, College level Officers, Administrative Directors, Team leaders, Supervisors and Coordinators of supportive management staffs of Jimma University.

#### 1.7. Definition of key terms

The following words or phrases are the conceptual definitions with their respective meaning as used in the study by the researcher:

#### Leadership

Leadership is that the influencing method of leaders and followers to realize organizational objectives through modification. The influencing process is between leaders and followers (Achua and Lussier, 2010).

#### **Transformational Leadership**

Transformational leadership is a process whereby the leaders and followers engage in a mutual relationship and promote each other to achieve higher levels of motivation and morality (Burns, 1978, cited in Jandaghi, Matin and Farjami, 2015).

#### **Idealized Influence (II)**

This is a transformational leadership behavior displayed when the leader envisions a desirable future, articulates how it can be reached and sets an example to be followed (Bass, 1999).

#### **Individualized Consideration (IC)**

This is the extent to which leaders attend to the needs of each of their followers, act as a coach or mentor to the followers, and listen to the concerns of the followers (Erkutlu, 2008).

#### **Intellectual Stimulation (IS)**

This is the ability of a leader to arouse the thoughts and imagination of his/her followers and stimulate their ability to be creative, innovative and think critically in problem solving (Abasilim, 2014).

#### **Inspirational Motivation (IM)**

This is the ability of leaders to motivate their followers and articulate a vision that is inspiring and appealing to the followers (Hancott, 2014).

#### **Organizational Performance:**

This is the ability of an organization to achieve its set goals and objectives and fulfill its mission by use of strong governance, sound management and persistent rededication of achieving results in terms of efficiency, profitability and customer satisfaction (Raluca Elena, 2015).

#### 1.8. Organization of the Study

This research has five chapters. Chapter one constitutes introduction part, which includes background of the study, statement of the problem, objective of the study, hypothesis of the study, significance of the study, scope of the study, limitation of the study, definition of key terms and organization of the study. Chapter two contains review of related literatures including theoretical, empirical literatures and conceptual framework. Chapter three presents research design and methodology which includes sample design, target population, sample size, sampling techniques, type and source of data, data collection instruments and procedures, method of data analysis and ethical considerations. Chapter four contains research findings, analysis and interpretations. Finally, chapter Five presents summary of major findings, conclusions and recommendations.

#### **CHAPTER TWO**

#### 2.1 Review of Related Literature

#### 2.1 Introduction

This chapter presents a review of literature on the role of transformational leadership on organizational performance. The chapter begins with a review of literature on the influence of individualized consideration on organizational performance, followed by the influence of inspirational motivation on organizational performance and the influence of intellectual stimulation on organizational performance. The review is organized in to three major parts namely theoretical review, empirical review and conceptual framework.

#### 2.1.2 Leadership

Leadership and management are prototypical components of any organization and are arguably, the most important aspects for organizational success. A successful leader can stimulate and lead the organization towards success. Therefore, it is important to understand what makes a good leader. One of the most important aspects during a change program is leadership. A good leader is, many times, vital in order to maximize the chance of success (Yukl 2012).

Therefore, this part is describing some different leadership styles and trying to explain what good leadership is and how it can be related to change processes. Leadership is one the most critical factors that influence creativity in any organization. Transformational leadership, in particular, has been singled out as the effective mode of management in promoting creativity. Quatrain (2010) argues that this kind of leadership motivates employees to improve their input in an organization. In addition, transformational leadership, challenges employees to aim higher and also to be ambitious. Ojokuku and Ogbomoso (2014) argue that this type of leadership definitely promotes creativity which in turn leads to innovative minds. This in turn positively influences the performance of an organization. It is therefore recommended that leaders in an organization should embrace this kind of leadership as it leads to positive results not only in an organization capacity but also in an individual capacity.

Owolabi and Abdul-Hameed (2011) agree that transformational leadership is a leading factor in increased fulfillment among employees and improves their devotion towards the company. This eventually leads to higher and better performance by the employees. Khan, Rehman and Fatima (2009), points to the fact that it is the transformational leader that

pushes the employee from focusing on self-interest, to focusing on the interests of the organization.

#### 2.1.3 Transformational Leadership

Transformational leadership is defined as a leadership approach that causes change in individuals and social systems. In its ideal form, it creates valuable and positive change in the followers with the end goal of developing followers into leaders. Enacted in its authentic form, transformational leadership enhances the motivation, morale and performance of followers through a variety of mechanisms. These include connecting the follower's sense of identity and self to the mission and the collective identity of the organization; being a role model for followers that inspires them; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so the leader can align followers with tasks that optimize their performance. Muhammad Faisal Aziz (2009). This leadership style is that involves a leader working with the employees to pinpoint the needed change, create a vision to guide the organization through inspiration, and execute the change together with committed group members (Mortazavi &Partovi, 2014).

A professional will is defined as one creating outstanding results during the transformation from a good to a great organization, demonstrating determination to what must be produced in the long-term even if the process is hard, setting high standards of what is needed of the organization to succeed, and giving credits to those contributing to the success of the company.

Leadership can, according to this model, be divided into five levels, with level one as the not so good leaders and level five as the ones transforming good organizations into great ones. The different levels, according to (Collins (2005) are: highly capable individual; makes productive contributions through talent, knowledge, skills and good work habits, contributing team member; contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting, competent manager; organizes people and resources towards the effective and efficient pursuit of predetermined objectives, effective leader; can analyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulation higher performance standards and executive; builds enduring greatness through a paradoxical blend of personal humility and professional will.

Leadership can, according to this model, be divided into five levels, with level one as the not so good leaders and level five as the ones transforming good organizations into great ones.

The different levels, according to (Collins (2005) are: highly capable individual; makes productive contributions through talent, knowledge, skills and good work habits, contributing team member; contributes individual capabilities to the achievement of group objectives and works effectively with others in a group setting, competent manager; organizes people and resources towards the effective and efficient pursuit of predetermined objectives, effective leader; can analyzes commitment to and vigorous pursuit of a clear and compelling vision, stimulation higher performance standards and executive; builds enduring greatness through a paradoxical blend of personal humility and professional will. Another view of this is presented by Miller (2001), who has made a four-stage model directly referring to change leadership. This assumption is based on personal change adaptability, which leads to a four-stage framework ending in successful change leadership behavior. The top-line indicators for personal adaptability are optimism, self-assuredness, innovative, collaborative, purposeful, structured and proactive.

Optimism is defined by an upbeat about the future, learning from situations and does not allow problems to dampen enthusiasm and the person's genuine optimistic view of the world. Self-assuredness is defined by a high self-esteem grounding in the knowledge of one's own abilities and confidence, ending in a feeling of being in control of upcoming events. Innovation is defined as having a fresh look at occurring problems and challenging status quo. Collaboration is defined by a look at others as resources to be called upon when encountering problems or difficulties. Purposeful meaning that one has an understanding of priorities and an ability to maintain focus and discipline towards goal achievement. Structured persons are organized, methodical and use existing systems. Proactive, meaning that one takes quick decisions and seizes opportunities due to fast thoughts and reactions.

transformational leadership is one of the best methods to enhance the individuals and group's performance. Transformational leaders motivate followers to exert and explore existing as well as new prospects. TLs proactively help the followers to attain goals with high standards (Antonakis, Avolio, & Siva Subramaniam, 2003).

Transformational leaders move followers beyond immediate self-interest (Bass, 1999). Transformational leadership creates an environment in which employees are motivated and energized (De Jong & Bruch, 2013). Motivated employees working in a supportive climate provide more effective customer service, reinforcing organizational performance and leading to financial gains for shareholders (Giroux & McLarney, 2014).

Bass (1985) suggested four dimensions of transformational leadership style which includes idealized influence, inspirational motivation, intellectual simulation and individualized consideration. The behaviors accepted in TL like motivation, intellectual challenge, inspiration and individual consideration are consider as a core function of outstanding leaders that could be familiar around the world (Dorfman, 1996).

Leader pays special attention towards the needs of each follower which is imperative for their growth and achievements (Bass & Avolio, 1990). Bass argued that transformational leaders provide positive feedback to their employees, which motivate them to show more effort, and encourage them to think innovatively about complex problems. Therefore, employees tend to behave in such a way that simplifies high levels of task performance.

#### **Transformational Leadership Style (TF)**

According to Bass (1997) transformational leader transforms the follower by helping them understand the importance of organizational outcomes, encouraging them to rise above their self-interest to achieve organizational goals, and inducing their higher order needs. In other hands, transformational leaders are proactive; skillful at transforming people from followers into leaders and influence followers to excel self-interest for the greater good of their organization, focus on being a leader and more importantly they inspire followers to achieve extraordinary goals (Avolio& Bass, 2004).

As described by Cherry (2012) transformational theories focus upon connection formed between leaders and followers. Similarly, Northouse (2013) defined transformational as which concentrate on the connection developed between leaders and their subordinates, are able to inspire followers to change their expectations, perceptions and motivations and to work towards common goals.

As stated by Howell &Avolio (1993) Transformational leaders also possess the ability to motivate their subordinates to commit themselves to performance beyond expectation and this may occur in the following three main ways: firstly by raising the level of awareness of the objective of the organization and how it is to be achieved, secondly by encouraging coworkers to place the organization's objectives above their own personal interests.

There are Four dimensions or subscales of transformational leadership namely idealized influence (including both idealized influence attribute and idealized influence behavior), individualized consideration, intellectual stimulation and inspirational motivation. (Avolio, Bass and Jung, 2004)

#### **Idealized Influence (II)**

According to Bass and Riggo (2009) leaders behave in ways that allow them to serve as role models for their followers. Followers identify with the leaders and want to emulate them; leaders are endowed by their followers as having extraordinary capabilities, persistence and determination, admired, respected and trusted. The leader demonstrates high standards of ethical and moral conduct and avoids using power for personal gain (Avolio& Bass, 1994). In other hands, Idealized influence includes leading by example and making sacrifices, but this behavior may be used to manage follower impressions and gain their trust (Yukl, 2010).

Bass and Avolio (1990) classified idealized influence as idealized influence attributes and idealized influence behavior. Idealized influence attributes occur when followers identify with and follow those leaders who are trusted and seen as having an attainable mission and vision. Whereas, idealized influence behavior refers to a leader behavior which results in followers identifying with leaders and wanting to emulate them.

#### **Individualized Consideration (IC)**

The leader's behavior demonstrates acceptance of individual differences (Bass &Riggio, 2006). This conduct incorporates the provision of support, encouragement, training, assignment, counsel and input for use in the adherents' self-awareness. In other hands, it refers to leader behaviors that pay special attention to each individual follower's needs for achievement and growth by acting as a coach or mentor. Followers and colleagues are developed to successively higher levels of potential. Individualized consideration is practiced when new learning opportunities are created along with a supportive climate. Individual differences in terms of needs and desires are recognized. It can be used in an authentic way to build subordinates loyalty (Yukl, 2010). Leaders who welcome change always listen to the opinion of their subjects and advise them accordingly. They also make sure those issues troubling their subjects are well tackled, hence endearing themselves more to those being led. Such leaders are keen listeners, because they understand that it is through listening, they are able to learn new ideas and also develop themselves and their followers intellectually.

According to Okechukwu and Godday (2015), this aspect is a good example of leaders who give a listening ear to their followers and support them accordingly. Leaders who are

champions of change also take the responsibility of teaching their followers hence helping them to come into reality with matters of importance.

#### **Intellectual Stimulation (IS)**

As described by Bass &Avolio (2000) Intellectual Stimulation involves leaders stimulating their followers' effort to be innovative and creative by questioning assumptions, reframing problems and approaching old situations in new ways. Similarly, Yukl (2010) argued that intellectual stimulation can be used to increase creative ideas that will enhance the leader's reputation. In this manner, they are empowered to be inventive and creative, challenge both their own particular and their leaders' convictions and qualities, in addition to those of the organization itself. Besides, they are urged to go out on intellectual risks and inquiry presumptions. Similarly, in intellectual stimulation new ideas and creative problem solutions are solicited from followers, who are included in the process of addressing problems and finding solutions. Followers are encouraged to try new approaches and their ideas are not criticized because they differ from the leaders' ideas and this component may be exhibited when leaders motivate employees to create new things to achieve the goals of the organization effectively and efficiently (Bass &Riggio, 2006).

#### **Inspirational Motivation (IM)**

According to Northouse (2013) it is descriptive of leaders who communicate high expectations to followers, inspiring them through motivation to become committed to and a part of the shared vision in the organization. In practice, leaders use symbols and emotional appeals to focus group members' efforts to achieve more than they would in their own self-interest. Team spirit is enhanced by this type of leadership. Thus, the above five factors of transformational leadership styles were considered to investigate whether correlate or not with employee performance. When a leader is motivated inspirationally, he or she is able to exhibit confidence, respond positively to his or her follower's thoughts and ideas and he or she is also able to motivate the followers (De Jong & Bruch, 2013).

A transformational leader comes up with a vision that is clear, meets the group expectations and is also committed to meeting the laid-out group objectives. Transformational leaders have quality communication skills since they are expected to communicate in an accurate and powerful manner. Additional leadership characteristics that are important include eagerness, enthusiasm and the ability to articulate organization goals and vision (Sahin et al., 2014).

Inspirational motivation suggests that leaders need to communicate their high expectations to their followers. They should also motivate and inspire them by giving them meaning and challenging them to come up with a shared vision for the firm. Additionally, transformational leader's inspirational appeal encourages the followers to put in their best effort in terms of harmony and charity in their tasks. According to Abbasi and Zamani-Miandashti (2013).

#### **Inspirational Motivation and Ability to Inspire Confidence**

Inspirational motivation refers to the leader's ability to inspire confidence, motivation and a sense of purpose in his followers. The transformational leader must articulate a clear vision for the future, communicate expectations of the group and demonstrate a commitment to the goals that have been laid out. This aspect of transformational leadership requires superb communication skills as the leader must convey his messages with precision, power and a sense of authority. Other important behaviors of the leader include his continued optimism, enthusiasm and ability to point out the positive.

#### **Intellectual Stimulation and Creativity**

Transformational leadership values creativity and autonomy among the leader's followers. The leader supports his followers by involving them in the decision-making process and stimulating their efforts to be as creative and innovative as possible to identify solutions. To this end, the transformational leader challenges assumptions and solicits ideas from followers without criticizing. She helps change the way followers think about and frame problems and obstacles. The vision the leader conveys helps followers see the big picture and succeed in their efforts.

## 2.2 Influence of Individualized Consideration on Organizational Performance

Measuring organizational performance is a multi-dimensional concept. Effectiveness and efficiency are the two fundamental dimensions of performance. This is emphasized by Abasilim (2014) in the argument that effectiveness refers to the extent to which stakeholders" requirements are met, while efficiency is a measure of how economically the firm's resources are utilized when providing a given level of stakeholder satisfaction. To attain superior relative-performance, an organization must achieve its expected objective with greater efficiency and effectiveness than its competitors (Abbasi & Zamani-Miandashti, 2013).

Financial measures of performance are derived from the accounts of a company or can be found in the company's profit and loss statement or the balance sheet. In addition, financial measures are also referred to as objective measures because they can be individually measured and verified (ElKordy, 2013). However, it is essential to introduce non-financial measures of performance in conjunction with financial measures in order to fully measure performance. The non-financial measures are also known as the subjective performance measures of performance. The use of non-financial measures of performance supplements accounting measures and gives data on progress relative to customer requirements or competitors and other non-financial objectives that may be important in achieving profitability.

According to Erkutlu (2008) no one measure of performance should be taken on its own. To obtain a true measure of how a company is performing, different measures (financial and non-financial) should be used together on the basis of previous studies. Therefore, in this study, organizational performance will be measured by use of financial measures (Return on Assets (ROA), Return on Equity (ROE), sales growth, and profitability growth) and non-financial measures (employee growth, customer satisfaction, satisfaction with performance compared to competitors and overall satisfaction).

#### 2.2.2 University performance

The concept of university performance is one that can be investigated from a number of angles. In the first instance, we can look at university performance as from the academic perspective. This is how students perform as a result of set university examinations. For example, you can analyze how many students graduate with first class, second class and third-class honor's over time or under different university leaders. Another way to look at performance is by focusing on the employees. Employee performance is used as a category of analysis in evaluating an organization's overall performance. This can be analyzed through employee performance reviews and employee satisfaction surveys. One other way that we can look at performance is through customer satisfaction, the customers in this case being university students. Peacock (1995) and Pounder (2001) hold the view that there is no agreed upon definition of organizational effectiveness or performance and suggest that conflicts between managerial perspectives of success should be considered. 10 Pounder (2001) states that this is particularly so within the higher education sector where attempts to develop models of organizational effectiveness applicable to universities have not been forthcoming despite a worldwide call for universities to demonstrate "value for money".

Organizational performance is a complex multidimensional phenomenon for which researchers have used different perspectives to measure. McNamara (2008) states that organizational performance involves recurring activities that establish organizational goals, monitors the progress towards the goals and makes adjustments to achieve the goals more effectively and efficiently. It can therefore be argued that organizational performance can be judged in terms of whether or not an organization has achieved the objectives set before it. The measure of performance that was utilized for this study is the Baldridge Performance Framework. This Framework focuses on customer satisfaction, whereby in the case of universities, the customer would be the students and staff composition, as well as the characteristics of the organization's leaders. This is why it is felt that it is the most appropriate measure to use for the purposes of this study.

#### 2.2.3 Employee Needs and Concerns

Members of any organization have different needs and demands. While some are motivated by money there are those who simply get driven by the urge to do things differently, in the same case there are those who are motivated by the fun of being in an organization. It is therefore up to the leaders to identify all these needs and demands of their employees and make sure they have been fulfilled in the best way possible (Kalkavan&Katrinli, 2014). Intelligent leaders are always keeping a close ear so as to understand what their followers are saying and things, they would like done differently. For them to come up with the correct judgment, they may be required to have interactive sessions with the subject. Asking questions and getting feedback would play a key role in extending understanding (Neupane, 2015). Leaders of this nature are always ready to be challenged and to be corrected. This further helps them to develop intellectually.

It is of essence to understand that employees also have a private life which is completely unrelated to their job. Finding the perfect balance between work and their private life is of high importance to every employee. Therefore, it is important that an employer provides allowances for employees to plan their time effectively to accommodate both responsibilities where possible (Naseem & Sheikh, 2011). Such arrangements may not be applicable in all work environments, but when done they go a long way in motivating employees. However, when such arrangements are being made all employees should be considered, to make sure there is fairness during scheduling of work (Latif et al., 2013).

If leaders do not meet the needs of their subjects, it may lead to lack of motivation and fulfillment among employees, which can significantly affect the organization. Unsatisfied

employees negatively affect the performance of the organization. When people lack fulfillment in their workplaces, they are compelled to come up with ways to change their situation (Mafini&Pooe, 2013). The need for change during such hard times cannot be controlled, since it comes instinctively not only in condition of work but anywhere else in life. In cases where workers lack satisfaction in their job, their behaviors show a clear indication that they need to quit or change their work environment. Cases of lateness or failure to report to work may be common in such situations, which eventually leads to resignation or forced changed in management.

Naseem and Sheikh (2011) also indicate that satisfaction of workers translates to customer fulfillment which effectively leads to a profitable organization. It therefore goes without saying that when employees find fulfillment in their work, they get more satisfied, which eventually translates to customer satisfaction (ElKordy, 2013). Fulfillment of employees not only leads to increase in yield but also better quality of work or services. An organization has to ensure that employee feelings and desires are taken care of while also finding ways to improve their commitment. When the commitment of employees is elevated the business yield also increases which eventually leads to sustainable business model (Erkutlu, 2008).

#### 2.2.4 Individual Coaching and Mentoring of Followers

Nowadays, training and counseling are considered the most important aspects of human resource management. This is mainly because they help employees to elevate their devotion thus leading to increased profits and quality of products (Abasilim, 2014). Employees being the fundamental part of the organization are in the best position to positively change the fortunes of the organization if only the right motivation is in stilled in them. Hence training and counseling are often used by the organization to help employees reach their potential. Specifically, a large body of research considers coaching and mentoring to be a key determinant of employee performance (Erkutlu, 2008; Abasilim, 2014).

Counseling and mentoring of employees help to sharpen individual skills in a way that traditional ways of training cannot achieve. These aspects are vital in establishing the weakness of each and every employee and subsequently creating a system in which each individual can be guided to the required level of performance. This system also helps in promoting employee motivation thus improving their satisfaction levels (Tharnpas& Boon-Sakun, 2015). Individual input is the main reason why organizations are spending so much energy and resources in putting up programs for counseling and mentoring among employees. When the system is successful, the employees" devotion and level of

performance improves. Therefore, the organization must make sure that such a system is actively running, since the future performance and existence of the organization may depend on it. Every organization is interested in improving its yield in order to meet the customer demands and there is no better way of doing this than investing in employees' input. Trmal, Ummi Salwa and Mohamed (2015) pointed to the fact that coaching and mentoring of employees is the best way to improve their input.

#### 2.2.5 .Coaching

Coaching has been labeled by many researchers as an instrument normally used for problem solving in executive capacity (Kalkavan&Katrinli, 2014). It is a method used to rectify the behavior of executive officials who may be out of track Naseem and Sheikh (2011). On the other hand, look at coaching on a very different angle, they define the method as one which can be successfully used to create new capabilities and also promote new awareness among employees. This method can be used to tackle physical challenges normally experienced in workplaces. Latif et al. (2013), also points out to the fact that coaching is done to help individuals improve their skills in a physical dimension. The method can be applied at an individual level where a private tutor is used or when it is in a workplace level it can be combined with counseling (Mafini&Pooe, 2013).

In addition, coaching can sometimes help identify various weaknesses in an individual development as far as expertise is concerned. This can help point out a specific program which can be used to help that individual gain the necessary skills and knowledge (ElKordy, 2013). It is important to note that coaching only works when an individual willingly agrees to the system. In this case, the learner will be able to note his/her weaknesses and work on them (Erkutlu, 2008). This method can only be achieved in face to face interaction sessions. In this case, it is important to adopt the SMART goal model so as to achieve maximum results. However, as mentioned earlier the method should always focus on the individual self-declared shortcomings rather than those imposed. Basically, this method will help to improve a specific target area of an individual over a short period (Erkutlu, 2008; Abasilim, 2014). While the tutor may suggest the achievement which an individual may work towards, the recipient must have the final say on the goals he/she wants to work on. From here the tutor may give the individual the best method to achieve the set goals. In most cases, coaching success will be physically seen when it comes to the individual performance, this is totally different from mentoring, which has more to do with intellectual change

(Tharnpas& Boon-Sakun, 2015). Thus, when it comes to mentoring it has more to do with achieving actual goals under a relatively set time.

In a study conducted by Kalkavan and Katrinli (2014), they argued that coaching can positively influence the employee in realizing their role in the organization, devotion to work and also their job satisfaction. In addition, it influences employee understanding, their commitment, career wise and their overall input to the organization. Career devotion can also be trigged by an individual awareness of her/his role in the organization.

#### 2.2.6 Mentoring

Mentoring is when an individual with immense experience in a particular field or skills spends time with an amateur in that field and tries to develop those skills to him/her. Eventually this will lead to a better skilled and knowledgeable individual (Trmal et al., 2015). Normally, mentoring will take a long period of time, where the mentor spends time with the learner willingly, thereby teaching him/her skills or simply advising him/her. This method helps to develop important skills and moral values in an individual.

Tharpe's and Boon-Sakun (2015), describe mentoring as a kind of help where one individual assist another in gaining knowledge in form of mental or physical skills. This type of help is extended through regular contact for a particular period of time. It usually involves two people with the same interest. On the other hand, Abasilim (2014) describes mentoring as a process where the learner seeks knowledge from an expertise for a prolonged period of time. Unlike coaching, here the learner is in control of both the method used and the achievement. The learner regularly gives his/her thoughts and using that, the mentor can respond by proving insight to the pressing issue.

#### 2.2.7 Employee Problem Solving and Critical Thinking

Solving of problems can be a very complex activity which requires special skills. The fact that cognitive and mental awareness is required in this task makes the problem more complex. All cognitive aspects are involved in problem solving. Therefore, depending on the structure of the problem the level of skills required varies greatly (Abbasi & Zamani Miandashti, 2013). Organizations face different problems which may vary within an organization. While some may be similar in contest, some will be hard to structure in the mind hence making them more complex when it comes to solving them. However, one problem can have several solutions, each of which will vary in terms of its effectiveness. It is therefore for the person solving the problem to decide which solution is best suited for adoption, although even this requires special skills (De Jong & Bruch, 2013).

Critical thinking can be described as the way a human being is able to go beyond the normal thinking without any outside interference and as a result arrive at a decision. This decision may represent his/her wishes, but it can be supported using facts (Sahin et al., 2014). Critical thinking (CT) is more complex than the normal thinking. According to Bloom's taxonomy, there is a low degree of thinking which requires simple thinking ability. On the other hand, there are complex thinking degrees which require higher abilities of thinking. It is the combinations of these abilities that enable one to solve problems, think critically, visualize among other strengths. Critical thinking weighs heavily on complex thinking in that it requires a lot of abilities to come up with several solutions for one problem. Trmal et al. (2015) found that CT is mostly applied in complex fields such as mathematical and scientific fields. When one applies critical thinking in coming up with solutions, he/she becomes more empowered and knowledgeable.

There are three important cognitive skills which human beings use in their day to day lives. These include critical thinking, problem solving and creativity. It is through these skills that human beings remain competitive in nature. How well one is able to utilize them, determines the level at which one becomes successful in a particular situation (Choudhary, Akhtar & Zaheer, 2013). While it is one choice to extend those skills to others, when applied in a psycho pragmatic stage they influence positive performance in an organization since they help to create a psychological edge, which in turn translates to a more competitive self (Tharnpas& Boon-Sakun, 2015).

According to pradhan 2015 Creativity in an organization improves its credential, making it more reliable and providing room for growth. Such an organization is able to venture into new markets since it has the required support to do so. However, it is important to note that creativity without implementation is of no use in an organization hence organizations must tap creative ideas and turn them into meaningful products (Li, Mitchell & Boyle, 2016). Failure to take this initiative, an organization is likely to lag behind as the market turns to more innovative strategies. Motivation should be the first step as far as tapping of ideas is concerned. Without it, employees may not fulfill their potential, which basically means that organization performance will remain stagnant. For instance, the management can use transformational leadership to motivate workers to become more creative (Pradhan & Pradhan, 2015). Transformational leadership can therefore provide a platform for creativity-based initiatives to prosper.

#### 2.2.8 Followers Involvement in Decision Making

There are three categories of employee engagement in decision-making processes. These include level of influence given, direct-indirect and formal-informal category. When decision making follows a formal path, then there are usually set rules to abide to. In the case where informal approach is exercised, there are no set guidelines or rules. On the other hand, direct decision making requires physical appearance while in indirect decision making one can act in representation capacity. Choudhary et al. (2013) categorized employee participation in decision making into several levels namely informal, short term, consultative, employee ownership and work decision participation. Sahin, Çubuk and Uslu (2014) outlined consultative participation as one where employees provide their advice to the management upon which such advice is considered and an independent conclusion is arrived at by the management. In substantive participation the employees" advice must be considered in the final decision arrived.

Various studies show that there is a positive relationship between employee involvement in decision making and organizational performance. In Nigeria, Ojokuku and Ogbomoso (2014) found that participation of workers in decision making greatly affects the overall performance of the company. Thus, the input of workers in the overall decision making of the organization is of great importance since it helps the workers to become more committed towards the organization. Similarly, Owolabi and Abdul-Hameed (2011) established that when employees are actively involved in decision making, they become more satisfied and their morale increases, this leads to high performance at an individual level. Also, because of adopting suggestions and information from the employees the organization grows in production and also in market control. Being part of the decision-making process gives the employees a sense of ownership to the company, which basically translates to more trust and responsible behavior. The cost of learning the organization is generally lower when the employees are part of the decision-making process. This is because maximum supervision is not required hence less human labor required. Also, there is a high yield in terms of the organization performance when employees are part of the decision-making process.

#### 2.2.9 Employee Motivation

Any firm's or enterprise's success depends largely on the motivation of its employees. Human resource is important for any firm to prosper, perform or be productive (Asim, 2013). Motivated employees achieve their optimal performance since they enjoy the environment, they are working in. Employees are different and each one of them has

different incentives that motivate them to work hard. While some prefer cash incentives, others are motivated by recognition. The employer should seek to understand and further provide incentives so as to promote employee productivity (Thamrin, 2015).

Incentive programs provided to employees motivate them. This is because they feel cared for, appreciated and that their efforts are recognized. This can help motivate the employees regardless of their different motivational preferences. Such programs are mostly individualized suiting the employee's needs and wants. Motivation encourages workers to be more productive and more importantly shows that the firm cares for them. The most important impact that employee motivation has is that it leads to increased employee performance or productivity (Mutahar et al., 2015).

In Nigeria, Osabiya (2015) established that a factor such as provision of equipment, contract work, teamwork and supervision that is as a result of transformational leadership affects employee's motivation and productivity. Other critical factors include overtime, goal identification, communication, opportunity provided to undertake challenging tasks and a sense of being loved and belonging. Similarly, Muogbo (2013) observed that there exists a relationship between the motivation of employees and firm's performance. He further observed that intrinsic motivation provided to the employees increases their performance. Ovidiu-Iliuta (2013) also found that there exists a positive relationship between the motivation of employees and the effectiveness of organizations. If the employees are empowered and recognized, they will be more motivated to work, which will eventually increase their accomplishments and their performance in the firm. In a similar manner, when employees are dissatisfied, due to pressure from customers or due to monotonous jobs, they can decrease their overall performance in the firm. This can further result in increased absenteeism and employees might move to other firms which offer higher incentives and a better working environment. Employees are different and diverse strategies should be used to motivate them.

#### 2.3. Vision Articulation

A leader should see more than what is seen by others. An important leadership trait is that they should be able to come up with a transformational vision. Leaders that are transformational are aware that a well-developed vision which is crafted and shared in the right manner can lead to a change in an individual, a team or to an entire society (Udoh &Agu, 2012). If a leader is able to effectively define the vision and also clearly communicate it to the followers, the followers will clearly understand the vision and also

come up with ways to contribute to achieve the firm's vision. Leaders who are transformative encourage their followers to experiment, take risks and come up with innovative ideas. Leaders are vision driven and are not satisfied with the status quo (Mutahar et al., 2015). They might successfully complete a challenge but they often will start looking at another challenge to tackle. An important role of a transforming leader is his or her ability to communicate shared ideas, vision, beliefs and values in both an enthusiastic and exciting manner. A passionate leader is able to inspire his followers, encourage them and promotes enthusiasm (ElKordy, 2013).

Workplace healthy relationships enable the leader and his followers to clearly communicate the shared vision and also support it. When the firm workforce uses shared values, then the nature of their relationship improves and makes it easier to successfully achieve the shared vision. Such relationships cultivate a shared mutual collegial and collaborative environment (Erkutlu, 2008). One characteristic of transformational leaders is that they are informal and friendly. They are supportive to their juniors, give advice, treat them as equal and give constant encouragement. In their relationship with their followers, they fully engage one another to commonly achieve the firm's shared vision.

Visions that are based on shared ideals and values have been shown to help leaders persuade their followers to pursue the ideal vision of an organization with increased zeal such that both the personal and organizational performance improves (Hancott, 2014). The vision of the firm has been shown to be associated with employee creativity, achievement, inspiration, the innovation of the team and these affect the performance of the firm. For example, Raluca-Elena (2015) showed a significant relationship between the firm's performance and the following performance criteria; self-reported team creativity, externally rated team innovation and externally rated individual creativity. The firm's vision has also been shown to be linked to different firm-level effectiveness indicators such as long-term firm survival and excellence and the firm's ability to navigate chaotic environments (Mortazav&Partovi, 2014).

Mwangi and Kwasira (2015) state that successful visions are persuasive. The visions likely to influence the performance of the organization are visions that followers identify with and accept. However, vision inspiration involves the actively engagement of employee's beliefs, values and emotions. The vision inspiration among employees is the outcome of effective implementation of a vision. Thus, vision inspiration leads to positive outcomes such as successful change in the firm and increased firm performance (Hancott, 2014).

There is plenty of evidence on how effective firm visions and charismatic leaders are able to influence a firm's success. There is however little evidence on how employees vision influences the firm's vision, firm performance and the type of leadership in the firm. Assessments on how an organization vision inspires employees are however not many (ElKordy, 2013).

# 2.3.1 Leadership and management

One general misconception about leadership is regarding it as managership. Although some scholars treat the terms managership and leadership as synonym, this is not correct. As a matter of fact there can be leaders completely from an unorganized group, but there can be managers as conceived in an organization only where organized structure create roles. GoddyOsa(2014)

**Contingent rewards**: leaders rewarding employees in one way or another, it can be either a monetary reward for certain achievements or an express of good performance (Jackson et al 2012).

# 2.3.2 Transformational Leadership and Organizational Performance

Transformational leadership is one of the best methods to enhance the individuals and group's performance. Transformational leaders motivate followers to exert and explore existing as well as new prospects. TLs proactively help the followers to attain goals with high standards (Antonakis, Avolio, & Siva Subramaniam, 2003).

Transformational leaders move followers beyond immediate self-interest (Bass, 1999). Transformational leadership creates an environment in which employees are motivated and energized (De Jong & Bruch, 2013). Motivated employees working in a supportive climate provide more effective customer service, reinforcing organizational performance and leading to financial gains for shareholders (Giroux & McLarney, 2014).

Bass (1985) suggested four dimensions of transformational leadership style which includes idealized influence, inspirational motivation, intellectual simulation and individualized consideration. The behaviors accepted in TL like motivation, intellectual challenge, inspiration and individual consideration are consider as a core function of outstanding leaders that could be familiar around the world (Dorfman, 1996).

Leader pays special attention towards the needs of each follower which is imperative for their growth and achievements (Bass & Avolio, 1990). Bass argued that transformational leaders provide positive feedback to their employees, which motivate them to show more effort, and encourage them to think innovatively about complex problems. Therefore, employees tend to behave in such a way that simplifies high levels of task performance. In addition, transformational leaders encourage employees to weigh more for collective profit of organizations and leaders over the personal interests (Bass, 1985).

# 2.3.3 Change Management

Change management is an essential area of concentration for healthy growth of any business, it is important even for the survival of any organization in today's business world. Change management has highly focused on people, identity and the patterns of human interaction. Change management was being the core competency of the business leaders in twenty-first century. Therefore, being visionary change agents, leaders where be required to be more skillful and motivational. Discontinuous changes make worst effect on the capabilities of leadership (Nadler, Shaw & Walton, 1995).

Even after implementation of change, the duty of leader does not end. Change is the one constant; one can easily anticipate. But in business, it's vital that organizations build up a change management approach through which they can rely on to diminish both expected and unexpected changes. That way, they can meet any challenges head-on and not be derailed by whatever changes come their way (Gans, 2011). Nickols (2010), states that there are four basic definitions for change management. These four definitions are:

# 2.4 Empirical Review

Organizations in the 21st century face major, discontinuous change that makes change leadership more difficult and more complex than ever (Tichy& Ulrich, 2011). This explains why in the contemporary world, change leadership has become an increasing focus for management attention. Change involves fundamental changes in the business of the organization and its future direction. According to Noer (1997), the leader, as a person, is the most important tool for change. In addition to this it is the leadership's behavior that makes the change situations more effective (Higgs & Rowland, 2005).

Maha. M Al-Khaffaf conducted a study in title of "Appling Change Management Critical Success Factors in Bank of Jordan and Capital Bank" (2012). The study aimed to identify the application of the concept critical success factors of change management in both Jordan Bank and Capital Bank. For each bank, compare these factors among these two banks in order to develop a new change model. The results indicated that the following seven critical success factors were the one that both Banks agreed upon: resources, top management support, quality, employee satisfaction, training, technology, process and systems. Also, the

study showed no statistically significant variation among the surveyed banks in terms of change management component. While , Ali Abaas conducted a study in title of "Impact of Managerial Leadership Styles on Changing Decision Making Process: An Applied Study in Jordanian National Electricity Company" (2012) , The study aimed to investigate the impact range of managerial leadership styles (Autocratic , Democratic and Loose ) on the decision making process , and the resistance range of subjects to the decisions and in its implementation , the results showed that there is a different leadership styles existed in that company , and the democratic style has a strong and positive impact on the decision making process , while the loose leadership style has less impact , but autocratic style has a negative impact .

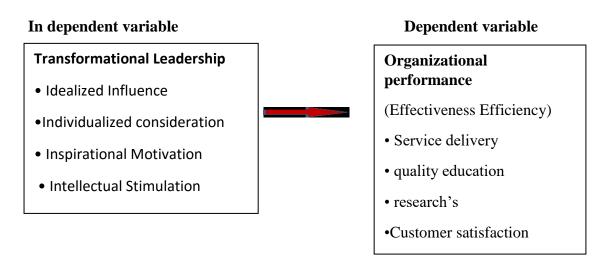
Paul Chou (2013), conducted a study in title of "The Effect of Transformational Leadership on Follower's Affective Commitment to Change ", the study aimed to explore the mechanism through which transformational leadership influences employees' affective commitment to change at farmers' associations in Taiwan. The results indicated that transformational leadership not only directly affects employees' affective commitment to change, but also indirectly affects employees' affective commitment to change via perceived organizational support and affective commitment to the organization.

Muhammad Hussein Uddin (2013) conducted a study in the title of "Role of Transformational Leadership in Organizational Change: mediating Role of Trust", to examine the relationship the author collected the data via questionnaires from the banking sector of Pakistan. The results indicated that there was significant relationship between the transformational leadership with organizational change and trust was playing the mediating role. For effective change, the study reveals that leadership and trust in top management are important. They are strongly correlated (positively) with change implementing behavior, monitoring of anticipators, management level, and department connection (Michaelis, Stegmaier& Sonntag, 2009).

## 2.5 Conceptual Framework

The conceptual framework indicates the vital process, which is useful to illustrate the track of the study. The study demonstrated the relationship between role of transformational leadership and organizational performance.

**Figure 1** conceptual frame work Source self-developed based on the ideas of in the literature review (2020).



#### **CHAPTER THREE**

# **Research Design and Methodology**

#### 3.1 Introduction

This chapter was presented the plan and methods of that were used to carry out the study. It contains the research design, the population, sample design, data collection instruments, research procedures and methods of data analysis and the presentations.

# 3.2 Research Design and Approach

The choice of this research design depended on its objectives of the study, the available data sources, the cost and availability of obtaining the data and the availability of time. Accordingly, this study employed both descriptive and explanatory type of research method. Descriptive research is aimed at describing phenomena and is not particularly concerned with understanding why behaviour is the way it is and the. Explanatory research was employed to explain the relationship between the independent variables (transformational leadership dimensions) and the dependent variable (organizational performance). The research was being carried out through the use of cross-sectional survey design. The research used both quantitative and qualitative (mixed) research method since it helps to mitigate the weakness of the one by the other.

#### 3.3 Data Sources

Both primary and secondary sources of data were used in order to collect appropriate data. Primary data was collected from the direct informants to this study, which was included academic and administration staffs were selected comprehensively which was comprised of top level Vice Presidents, middle level College Deans and Directors and line level management Head of Departments, College level Officers, Administrative Directors, Team leaders, Supervisors and Coordinators of supportive management staffs of Jimma University. The secondary data were collected from different published materials like report and manuals of the JU and research findings, policy documents and other relevant materials were reviewed.

# 3.4. Population and Sampling Design

# 3.4.1. Population

Greener (2008) describes population as the set of all groups of individuals, objects, items, cases, articles or things with common attributes or characteristics. According to Kothari (2004) a population consists of all items in any field of inquiry. The target population of this study was all the staff working of an academic and administrative of in Jimma University main campus which has **359** staff working in academics and administrative staff. According to Jimma University human resources management (2020).

# 3.5 Sampling techniques

Study participants were selected based on stratified sampling techniques. The level of management was taken as a base for stratification. First the different management staffs were classified in to 3 clusters -top level - V/Presidents; middle level -College Deans and Directors and first line management - Head of Departments, College level Officers, Administrative Directors, Team leaders, Supervisors and Coordinators of supportive management staffs of Jimma University. From each cluster, required number of participants were selected employs a stratified sampling technique.

**Table 3.1:** Sample Size for the Study

Description	Population	Sample size
Top level vice president	1	1
Middle level (College Deans and Directors)	35	35
Line level management (Head of Departments, College level Officers, Administrative Directors, Team leaders, Supervisors and Coordinators of supportive management staffs).	320	320
Total	356	354

Source: Own survey (2020)

# 3.6. Data Gathering Instruments

In order to obtain relevant and adequate information, the researcher used questionnaire and interview as instruments of data collection since the questionnaire is probably the most widely used data collection technique for conducting surveys. Self-structured questionnaire consists of both open and closed ended question designed and distributed to the employees to get their perception on the role of transformational leadership on organizational performance. The variables of the questionnaires were measured using Likert scale with five response categories (strongly disagrees, disagree, neutral, agree, and strongly agree). A total of 54 items of questionnaire was divided into two parts Part-1 of the questionnaire consists of demographic profile of the respondents and part-2 of the questionnaire consists of measurements transformational leadership and organizational performance and the interview questions probably the researcher used as a data collection method by using 10 open ended questions for top level for the vice president and middle level managers who are working on the organization. Source MLQ (BruceJ, Avolio and Bernard M (2004)

#### 3. 7. Data Collection Procedures

The researcher applied for research permission from Jimma University College of business and economics department of management. The researcher before disseminating the questionnaires had given permission letter from the office of the president. The researcher then disseminated and booked appointments with the respondents and agreed on the timings for filling the questionnaires. The questionnaires were both hands delivered to the respondents. Follow-ups were then made every three days to monitor the progress of the respondents in filling up the questionnaires. The data collection exercise was expected to take approximately two weeks. Before data collection, a pilot study was conducted to test the validity and reliability of the research instrument. The pilot test was conducted with a randomly selected number of staff at the university. The pilot group comprised of 10% of the sample size. According to Creswell (2006) validity is the degree to which results acquired from the process of analysis of the data actually embodies the phenomenon under study. In this study, validation of the instrument was given by academic advisor prior to the data collection.

Reliability refers to the extent to which your data collection techniques or analysis procedures will yield consistent findings (Saunders et al., 2007). The data reliability test is measured by using Cronbach's Alpha. Cronbach's Alpha was also calculated as part of the reliability test to

assess how valid the results were and should produce similar generalized results if the sample size were increase (Field, 2006). The Alpha value is ranges from a maximum of 1.0 for a perfect score to minimum of zero, good measure of the alpha should be 0.70 or higher (Neuman, 2007). According to William and Barry (2010) scales exhibiting a coefficient alpha between 0.80 and 0.96 are considered to have very good reliability, between 0.70 and 0.80 are considered to have good reliability, and alpha value between 0.60 and 0.70 indicates fair reliability and when the coefficient alpha is below 0.60, the scale has poor reliability. Accordingly, the Cranach's Alpha values of the survey indicate very good reliability.

#### 3.8. Methods of Data Analysis

The collected data were organized for statistical computation to explore the inherent relationships among the different variables. The researcher dominantly employed quantitative analysis technique as the natures of the data were collected with a little use of qualitative research method. Data from the questionnaires were analyzed through descriptive statistics using measure central tendency (mean and standard deviation), tables and graphs and data presentation tool. This is due to the nature of the questionnaire (open-ended and closed-ended). Most of the data in which to be obtained through questionnaire were processed for analyses by SPSS 25 version software. In order to examine the effect of transformational leadership on organizational performance, regression model was used. Finally, the results were summarized into simple tabulations and graphs and figures with meaningful interpretation of results that leads to make to draw out implication and conclusion. The multiple regression analysis took the following model here under:

$$Y = β0 + β1X1 + β2X2 + β3X3 + β4X4 + ε$$
 whereby:

Y= Organizational Performance

 $\beta 0 = \text{Constant } \beta 1 - \beta 3 = \text{Beta coefficients}$ 

X1= Idealized influence

X2= Individualized consideration

X3= Intellectual stimulation

X4= Inspirational motivation  $\varepsilon$ = Error term

#### 3.9 Ethical Consideration

In this study the researcher consciously considered ethical issues in seeking permission, maintaining confidentiality and protecting the anonymity of respondents that encountered during the study. Besides to this, the researcher told the purpose of the study to the respondents and ensured voluntary participation, as it is only for academic purpose with full confidentiality. To avoid any harm on the research participants, the researcher has been careful to abide by the general research ethics. This is because of participants may fear (suspect) to be harmed with what they express to the researcher.

# 3.10. Validity and reliability

Validity Conceptually, validity seeks to answer the following question: "Does the instrument or measurement approach measure what it is supposed to measure?" Similarly, as of Bhattacharjee (2012), Validity, often called construct validity, refers to the extent to which a measured equates represents the underlying construct that it is supposed to measure. Hence, to make measurement approach or instrument strong thorough analysis of both theoretical and empirical literatures were performed and consequently the study variables were developed. With regard to validity its attributes/items are developed taking in to account international standards, previous studies and the scientific suggestions.

Reliability refers to the extent to which your data collection techniques or analysis procedures will yield consistent findings (Saunders et al., 2007). The data reliability test is measured by using Cronbach's Alpha. Cronbach's Alpha was also calculated as part of the reliability test to assess how valid the results were and should produce similar generalized results if the sample size were increase (Field, 2006). The Alpha value is ranges from a maximum of 1.0 for a perfect score to minimum of zero, good measure of the alpha should be 0.70 or higher (Neuman, 2007). According to William and Barry (2010) scales exhibiting a coefficient alpha between 0.80 and 0.96 are considered to have very good reliability, between 0.70 and 0.80 are considered to have good reliability, and alpha value between 0.60 and 0.70 indicates fair reliability and when the coefficient alpha is below 0.60, the scale has poor reliability. Accordingly, the Cranach's Alpha values of the survey indicate very good reliability.

# **Chapter Four**

# **Results and Findings**

#### 4.1. Introduction

This chapter presents the data analysis results and interpretation of the findings as per the purpose and objectives of the study. The purpose of this study was to investigate the role of transformational leadership on organizational performance in Jimma University main campus. The study also sought to determine the influence of idealized, individualized consideration, intellectual stimulation and inspirational motivation on organizational performance in Jimma University.

# 4.1.1 Response Rate

The essence of determining the response rate is to enquire whether it is sufficient enough to generalize the results to the target population (Mungai, 2015). Generally, 353 questionnaires were distributed to sample respondents of the study. Out of these, 304 questionnaires were returned back. Therefore, the response rate is 86.1 % of the planned were achieved.

**Table 4. 1:** Response Rate

No	Target group	Distributed	Returned	Rate of return in %
	Academic and			
	administrative staff	353	304	86.1%

Source: own survey (2020)

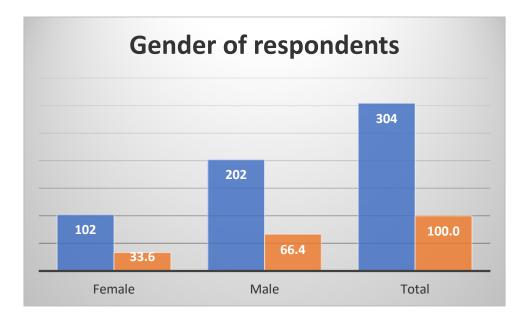
# 4.2 Demographics

This section presents the general information of the respondents, which includes their gender, age bracket, Educational level and length of service in the University.

# 4.2.1 Gender of the Respondents

The study sought to determine the gender of the respondents. From the findings, majority of the respondents, 66.4%, were male while 33.6% of the respondents were female as indicated in figure 4.1. This shows that most of the staff working in Jimma University main campus were

males and shows female participation in the leadership position of the university is not up to the expectation. This may have negative effects on the accomplishment of organizational goals.



Source: Own survey (2020) Blue indicates Gender of the respondent in number and gray color indicate in percent.

Figure 4.1: Gender of the respondent

# 4.2.2 Age Bracket of the Respondents

The study also sought to determine the age bracket of the respondents. From the findings, majority of the respondents, 60.2%, were between the ages of 36-45 years, 25% were between the ages of 25-35 years, and 14.8% were years of age  $\geq 46$  years as indicated in the figure 4.2. This shows that most of the staffs working at Jimma University were found under the age category of 36-45 years old i.e. they are in the productive age and if handled effectively, they can contribute more to the accomplishment of organizational goals.

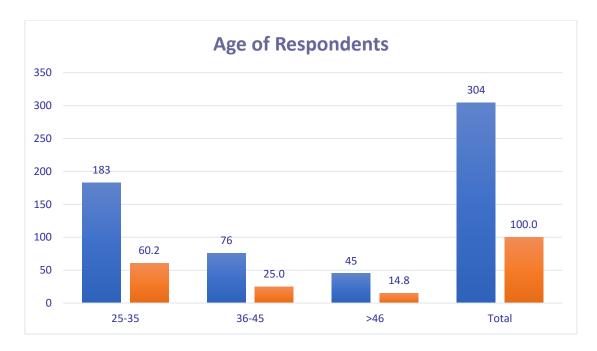
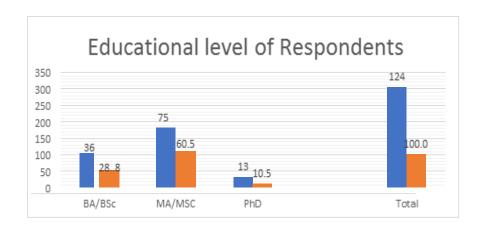


Figure 4.2: Ages of Respondents

# 4.2.3. Respondents' Highest Level of Education

The study sought to determine the respondents" level of education. The study findings showed that majority (61.8 %) of the respondents were master's holder and 28% the university staffs were bachelor degree holders and (10.2%) PHD level as it indicated in figure 4.2. This clearly indicates that most of the respondents had master's degree level of education which might help them to perform their duties effectively since they have adequate educational qualification for the position they hold on the organization.

Figure 4.3: Highest level of education



## 4.2.4. Respondents' Length of service

The study sought to determine for how long the respondents have worked in the Jimma University. From the findings, majority of the respondents (53.6%) indicated that they had worked for the organization for 3-9 years, 27% had worked for above 9-12 years, 15% had worked for greater than ≥12 years and 4.3% of the respondents worked less than three years. as clearly indicated in figure 4.4. This implies that most of the managers had served three to nine years in the cranialization and this service year in leadership position help them to Improve their leadership qualification which enable to lead organization in right direction when the university utilized their accumulated knowledge and skill in a way that can facilitate the accomplishment of organizational objectives.

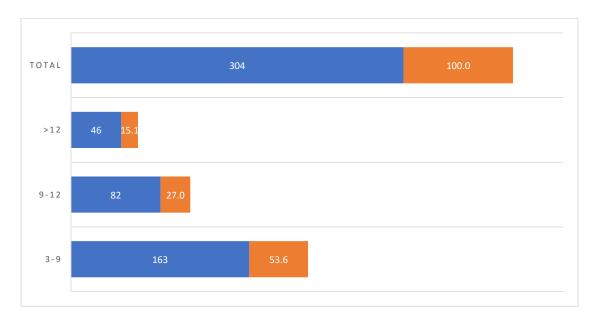


Figure 4.4: Respondents length of service

# 4.3.4 Descriptive Analysis

Mean results were used to analyze the extent at which the sample group in average agreed or disagreed with the raised statements. Low mean implied that majority of the respondents disagree while higher mean value indicates their agreement. Accordingly, the perceptions of the respondents were captured using a five-point Likert scale (1- Strongly Disagree, 2– Disagree, 3 – Neither Agree nor Disagree, 4 – Agree and 5 - Strongly Agree) and interpreted in accordance with the below detailed Zaidatol et. al., (2012), means scores degree.

- Mean = 1.00 2.33 Low,
- Mean= 2.34 3.67 Moderate and
- Mean = 3.68 5 High

Standard deviation was also used to show the variability of measurements from the mean (average). The higher standard deviation indicates a wider distribution of the scores from the mean. This distribution indicates more heterogeneous or dissimilar spread of scores on a scale. Whereas, if the value is lower, it indicates a narrower distribution with more similar or homogeneous spread of scores around the mean (Mark et al., 2009). Accordingly, respondents'

intention to stay and their opinion towards the studied independent variables were analyzed with the mean & standard deviation results here under.

Table 4.2.: Mean and Standard Deviation: Results of the Respondents' on Idealized influence

Descriptive Statistics			
	N	Mean	Std. Deviation
Leaders are the role model for the followers	304	3.7632	.52321
leaders are admired, respected and trusted with other employees	304	3.3849	.61330
leaders give an attention to the employee's interest	304	3.3388	.63998
Leaders had a high level of integrity and ethics	304	3.7993	.62076
Leaders in our organizations are willingness to take the risk	304	3.1250	.63778
Leaders are given an attention to the employee's interest	304	3.3388	2.47236
Our leaders have an interest for the greater good of the good and make personal	304	3.7664	.62076
Over result of idealized influence	304	3.502	0.8754

Source: Own survey (2020)

As it has been depicted in table 4.2, the study sought to examine the respondent's level of agreement with the statement in relation to idealized influence in the organization. Accordingly, the results show that all of the seven items of idealized influence ranges maximum mean (M= 3.799 and SD = .62076 i.e. "Our leaders had a high level of integrity and ethics" to minimum mean (M= 3.125 and S. D= .63778 "Leaders in our organization have the willingness to take the risk." The overall response indicates that the value of majority of the respondents moderately expressed their agreements on the effects idealized influence on organizational performance. This implies that leaders of the university are articulate clear vision, leading by example,

influencing their followers positively and have smooth relationship with their subordinates. The same question was forwarded to the leaders participated in interview and replied that they are leading followers by example like have passionate in their work, give their time and talent to the benefits of their community and inspire others to behave and to carry out their day to day duties effectively.

The finding is consistent with with De Jong and Bruch (2013) argument that a transformational leader comes up with a vision that is clear, meets the group expectations and is also committed to meeting the laid-out group objectives. Further, the study established that leaders exhibit a commitment to the goals that have been laid out. These finding also concede with Mutahar et al. (2015) stated that transformational leaders exhibit a commitment to the goals that have been laid out. Also, the study found that the leaders in Jimma University develop team spirit in employees and align individual and organizational goals. According to Abbasi and Zamani-Miandashti (2013), the followers are encouraged by their leader to have a teamwork spirit which makes them eager and cheerful when articulating their firm's goals.

Table 2.3: Mean & Standard Deviation: Results of Respondents' on Individual Consideration

Descriptive Statistics			
			Std.
	N	Mean	Deviation
Leaders discussed and emphases with the needs and concern of individual employees	1303	3.1716	.58986
Leaders are making interpersonal connection with employees	304	3.4013	.57746
Leaders are encouraging ongoing professional development and personal growth of employees	t304	3.2664	.89630
Leaders pay close attention to the needs of followers	304	3.6217	1.47308
Leaders act as coaches and advisors to individuals	304	3.6809	.91567

Our leaders acknowledge and attend to employee needs and	304	3.3289	.76883
concerns			
Leaders in our organization listen fully to understand the perceptions of followers	304	3.2270	.64827
Leaders support a flexible work schedule	304	3.3553	.68369
There is a coaching program in our organization to enhance	304	3.8026	.70864
personal skills			
Our leaders' mentor the junior staff to improve personal and professional growth	304	3.8388	.70149
Over all individual consideration	304	3.469	0.796

The above table (table 4.3) illustrates that the overall individual consideration mean score is 3.469 and standard deviation is 0.796 and it lays on the average or moderate level. When we see individual items of individual consideration, the highest scored item, which fall above average, is "Our leaders' mentor the junior staff to improve personal and professional growth" mean and standard deviation of 3.838 and .701 respectively. The other items which fall on average level are: - "There is a coaching program in our organization to enhance personal skills" (mean= 3.802) and SD=.708) and "Our leaders act as coaches and advisors to individuals" (mean= 3.680 and SD= .915). On the other hand, the item "Leaders discussed and emphases with the needs and concern of individual employees, leaders in our organization listen fully to understand the perceptions of followers, leaders are encouraging ongoing professional's development and personal growth of employees and our leaders support a flexible work schedule and leaders are making interpersonal connection with employees" scores fall on moderate level with mean range of 3.171 – 3.621. The result shows majority the University leadership gives attention to each employee working in the organization. This implies that individualized consideration has significant contribution on enhancing organizational performance in Jimma University to a great extent. In the same way interviews replied that leaders exert certain efforts to understand the

needs and interests of their respective subordinates and to meet their desire along with organizational objectives.

These findings agree with Okechukwu and Godday (2015) argument that individual consideration is a good example of leaders who give a listening ear to their followers and support them accordingly. They also make sure those issues troubling their subjects are well tackled, hence endearing themselves more to those being led. Such leaders are keen listeners, because they understand that it is through listening, they are able to learn new ideas and also develop themselves and their followers intellectually.

The study also proved that leaders in Jimma University support a flexible work schedule. This is in agreement with Naseem and Sheikh (2011) findings that revealed the perfect balance between work and their private life is of high importance to every employee. Therefore, it is important that an employer provides allowances for employees to plan their time effectively to accommodate both responsibilities where possible. The study established that leaders were keen to acknowledge and attend to employee needs and concern. This finding concurs with Kalkavan and Katrinli (2014) stated that it is up to the leaders to identify all these needs and demands of their employees and make sure they have been fulfilled in the best way possible.

The study revealed that leaders pay close attention to the needs of followers and they listen fully to understand the perceptions of followers. These findings concede to Neupane (2015) argument that intelligent leaders are always keeping a close ear so as to understand what their followers are saying and things, they would like done differently. Similarly, Neupane (2015) argues that for them to come up with the correct judgment, leaders may be required to have interactive sessions with the subject. If leaders do not meet the needs of their subjects, it may lead to lack of motivation and fulfilment among employees, which can significantly affect the organizational performance. The study found that leaders in Jimma University act as coaches and advisors to individuals. This finding agrees with Kalkavan and Katrinli (2014) argument that coaching can positively influence the employee in realizing their role in the organization, devotion to work and also their job satisfaction.

Table 4.4: Mean & Standard Deviation: Results of Respondents' on Intellectual Stimulation

Descriptive Statistics			
	N	Mean	Std. Deviation
Our leaders encourage imagination and creativity	304	3.8092	.71045
The relationship with our leaders is good	304	3.8586	.73327
Our leaders appreciate creativity and innovation	304	3.7237	.78094
There is supportive supervision of employees in the organization that enhances creativity and innovation	304	3.7697	1.95146
Our organization provides creativity- relevant activities	304	3.4046	2.82798
Leaders support critical thinking	304	3.4803	1.14015
Employees in our organization are involved in problem solving	304	3.4408	1.13878
Employees in our organization participate in decision- making	304	3.4836	1.05917
The overall mean result of inspirational	304	3.6213	1.2927

As the above table (table 4.5) depicts, all the items of intellectual stimulation failed at moderate or average. Among the 8 items, "The relationship with our leaders is good" item gets the highest score with mean and standard deviation of 3.8586 and .7332 respectively, "Our leaders encourage imagination and creativity" also get the second highest score (mean= 3.8029 and SD= .710). On the top of this, "There is supportive supervision of employees in the organization that enhances creativity and innovation" has got the third highest score (mean= 3.769 and SD= .1.952) and the fourth "Our leaders appreciate creativity and innovation" with score (Mean= 3.7237 and SD= .7809) respectively. Whilst, the results of the remaining four items were laid on average level of agreement. This indicates the University leaders stimulate their employees to involve in creativity and innovation which enable creates new method of doing things. Leaders

who participated in the interview stated that they are working in collaboration with subordinates in solving problems and promotes creativity that enable to cope up with the ever changing situations.

The finding is consistent with Mwesigwa and Namiyingo (2014) argument that leaders who are open-minded tend to intellectually influence their subjects, which subsequently influences their performance. Such leaders want to challenge the norm and make a case out of every argument; this encourages their subordinates to intellectually challenge themselves more. In addition, Linda (2012) states without unique ideas, innovation cannot take place. It is through these unique ideas that the organization can create a product in the market which introduces new services and products satisfactory to customer demand.

Further, the relationship between the staff and the leaders was considered good. According to Ul Hassan et al. (2013), the relationship between the management and employees together with internal factors such as job complication determine the level of creativity in the organization. The management should therefore come up with a model that tackles all the components of banking system, this will in turn challenge employees to be more innovative. In addition, leaders should offer moral support to the employees and create guidelines that further encourage workers to be more creative. The result revealed that employees in the organization were involved in problem solving. This finding concurs with Choudhary et al. (2013) stated that employees should be involved in organization's problem solving so as to ensure that there will be no resistance to change. When one applies critical thinking in coming up with solutions, he/she becomes more empowered and knowledgeable.

This finding agrees with Sahin et al. (2014) and Ojokuku and Ogbomosho (2014) who highlight the importance of employee involvement in decision making and the participation of workers in decision making greatly affects the overall performance of the company. Besides, Choudhary et al. (2013) categorized employee participation in decision making into several levels namely informal, short term, consultative, employee ownership and work decision participation. The study also found that the leaders in the organization provide creativity-relevant activities. This result concedes to Quagraine (2010) argued that leadership is one of the most critical factors that

influence creativity in any organization. Transformational leadership, in particular, has been singled out as the effective mode of management in promoting creativity.

The study established that Jimma university leaders support critical thinking. These findings concede with Ojokuku and Ogbomosho (2014) depict that transformational leadership definitely promotes creativity which in turn leads to innovative minds. The study further revealed that leaders appreciate creativity and innovation. These findings correspond to Ul Hassan et al. (2013) finding stated that the leadership of the banking sector players in Pakistan was appreciating creativity and innovation by the staff members. Also, the study found that there is supportive supervision of employees in the organization that enhances creativity and innovation and the management creates an open environment where employees are encouraged to work under minimal supervision that encourages and enhances creativity in employees

Table 4.5: Mean & Standard Deviation: Results of Respondents' on Inspirational Motivation

Descriptive Statistics						
	N.T.	) / (	Std.			
	N	Mean	Deviation			
To what extent does inspirational motivation influence	304	3.3191	1.03415			
organizational performance in your organization						
Our leaders motivate confidence among the staff	303	3.3993	.99781			
Leaders in our organization are responsive to employee ideas	304	3.4342	1.06347			
and thoughts						
Our leaders have articulated a clear vision for the future	304	3.5658	.96930			
Leaders in our organization exhibit a commitment to the goals	304	3.5296	1.04634			
that have been laid out						
Our leaders develop team spirit in employees	304	3.4671	1.11051			
Our leaders align individual and organizational goals	304	3.9309	.89286			

Employees in our organization are motivated through	n304	3.8454	1.01756
incentives			
	20.4	2.4275	66702
Employee motivation in our organization promotes workplace	304	3.4375	.66703
harmony			
Over all intellectual stimulation	304	3.547	0.9776

The above table (table 4.4) sought to examine the respondent's level of agreement with the statement in relation to intellectual stimulation in the organization. Based on the statistical results, the overall intellectual stimulation mean score and standard deviation are 3.547 and .977 respectively, and it laid on the moderate/ average/ level. When we see the individual items, the highest item which scored above the average level is "Our leaders motivate confidence among the staff," with mean score of and standard deviation of 3.399 and .977 respectively. The second highest item scored above average is "Our leaders align individual and organizational goals "with mean score 3.930 and standard deviation .892 and the third item score high is "Employees in our organization are motivated through incentive" with mean score 3.8454 and standard deviation 1.0175.

On the other hand, the item "Leaders in our organization exhibit a commitment to the goals that have been laid out, leaders in our organization are responsive to employee ideas and thoughts, our leaders have articulated a clear vision for the future, our leaders develop team spirit in employees and employee motivation in our organization promotes workplace harmony" scores fall on the average. This implies that the leaders have been striving to encourage employees to undertake their day to day tasks effectively and they have been exerting they're at most efforts to work in collaboration with their employees. From this one can infer that intellectual stimulation has significant influence on enhancing organizational performance. In the same way interviews confirmed that leaders have employed various incentives for employees to enhance their commitment in accomplishing organizational objectives. Among other things, employee's participation in making decision on issues concerning them, educational opportunities to upgrade their capacity and short term training that enable to carry out their day to day activities effectively.

This finding concedes with Ovidiu-Iliuta (2013) argument that there exists a positive relationship between the inspirational motivation of employees and the effectiveness and performance of the organization. It also found that leaders motivate confidence among the staff in Jimma University. These findings concur with Oluyinka and Hashim (2012) stated that leaders play a major role in motivating their employees. The study also found that the leaders in Jimma University were responsive to employee ideas and thought. These findings agree with Ovidiu-Iliuta (2013) argument that one way of motivating employees is by being responsive to their ideas and thoughts.

The study also found that the employees in the organization were motivated through incentives. This finding agrees Asim (2013) argument that any firm's or enterprise's success depends largely on the motivation of its employees. Motivated employees achieve their optimal performance since they enjoy the environment, they are working in. Employees are different and each one of them has different incentives that motivate them to work hard. While some prefer cash incentives, others are motivated by recognition. The employer should seek to understand and further provide incentives so as to promote organizational performance.

It was also established that employee motivation promotes workplace harmony. This finding concedes with Sahin et al. (2014) findings that transformational leader's inspirational appeal encourages the followers to put in their best effort in terms of good work, harmony and charity in their tasks. When employees are motivated, their performance increases and boosted the workplace harmony.

Table 4.6: Mean & Standard Deviation: Results of Respondents' on organizational performance

Descriptive Statistics			
		Mean	Std.
Transformational leaders have a significance role to give a quality service to the customer		3.3783	.93607
Leaders in our organization are working to give a quality service	304	3.3811	.6493
Leaders are working to give a quality educational service	304	3.4967	.77926
our leaders working to achieve organizational goal	304	3.2993	.86318

Leaders develop the long-range program	304	3.3783	.93607
our leaders using work time properly	304	3.3816	.64929
Leaders encourage and using our budget properly & timely	304	3.1612	.79831
The overall results organizational performance	304	3.34342	0.80522

As the above table (table 4.6) depicts, all items of organizational performance fall on average with the mean score 3.3434 and 0.805 standard deviation. When we see the individual item mean and standard deviation scores for each of the organizational performance ranked by respondents as "Leaders in our organization are working to give a quality service" has (M= 3.4967 and S.D = .7792; "our leaders using work time properly" has M= 3.381 and S.D = .649; "our leaders develop the long-range program" has M=3.378 and S.D=.93607. In addition, the next items sought to examine the respondent's level of agreement with the statement in relation to organizational performance of University. Accordingly, the result revealed that "Our leaders working to achieve organizational goal" with the mean score (M= 3.2993 and S.D = .8631) and "Leaders encourage and using our budget properly & timely "with the mean score (M = 3.1612and S.D= .79831). From this it is sound to conclude that the University leaders have been collaborating their efforts to realize the vision of the organization by utilizing the existing resources both effectively and efficiently. In the same way interviews stated that the university leaders have played their leadership role in way that contribute to the achievement of organizational objectives. As the university is service providing institution their leadership have brought significant achievements in improving the quality of education, community service and applicable research works that mitigate the prevailing problems in the community.

#### 4.4. Overall Performance

The study sought to examine respondents' level of understanding on overall organizational performance of the university by ticking the number that most accurately reflects their opinion. From the findings in table 4.7, majority of the respondent's 59.7 % agreed that the overall performance of the university last year was far slightly above average and 24% of the total respondents said the university achieved average level performance while the remaining 6.3% of the respondents replied the overall performance of the university relative to major competitors

last year was far below average. From this one can infer that the university has achieved its overall objective significantly in relation to its major competitors (public universities) of the country.

#### 4.4.1 Inferential Statistics

# 4.4.2 Correlation Analysis

A correlation analysis was performed to determine if there were any relationships between the independent variables (transformational leadership) and the dependent variable (organizational performance). In order to interpret the result of the correlation there are standards. According to Somekh and Lewin (2005, the criteria for evaluating the magnitude of a correlation was as follows: If the correlation coefficient (r) is 0.01-0.29, the strength of relationship is weak, when correlation coefficient (r) is 0.30-0.49, the relationship is moderate and when the correlation coefficient (r) is 0.50-1.0, the strength of relationship is strong.

Correlations					
				Total	
		Total	Total	Inspirationa	Total
		Idealized	individualized	1	Intellectual
		Influence	Consideration	Motivation	Stimulation
Total Organizational	Pearson Correlation				
Performance	Sig. (2-tailed)				
	N				
Total Idealized Influence	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	304			
	Pearson Correlation	022	1		
Consideration	Sig. (2-tailed)	.706			
	N	304	304		

Total	Inspirational	Pearson Correlation	.085	.173	1	
Motivation		Sig. (2-tailed)	.138	.002		
		N	304	304	304	
Total	Intellectual	Pearson Correlation	.059	.111	031	1
Stimulation		Sig. (2-tailed)	.309	.054	.594	
		N	304	304	304	304

The above table shows the correlation coefficient of different components of transformational leadership with organizational performance. Idealized influence with inspirational motivation has strong correlation by having correlation coefficient (r) of 0.085. While intellectual stimulation and individualized consideration have moderate correlation by having correlation coefficient (r) 0.054 respectively. Idealized influence with individualized consideration has low correlation coefficient (r) of 0.022.

# 4.5. Regression Assumptions Tests

Before applying the multiple linear regression analysis to test the influence of independent variable on organizational performance, some tests were conducted in order to ensure the appropriateness of data analysis as follows:

# 4.5.1. Normality Test

The main assumption in normality is that the distribution in each item and in all linear combination of items is normally distributed (Hair, et.al, 2010). The researcher used Histogram method of testing the normality of the data. Histogram is bell shaped which lead to infer that the residuals (disturbance or errors) are normally distributed. The residuals should be normally distributed about the predicted dependent variable score. As shown on figure below, dependent variable is normally distributed for each value of the independent variables.

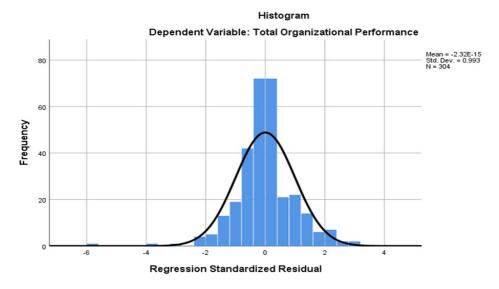


Figure 4.1. Histogram of Data Normality Test

# 4.5.2. Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between the independent variables; Salary, bonus/incentives, infringe benefits, Recognition and appreciation, working condition promotion and empowerment and dependent variable employee motivation is linear; Plots of the regression residuals through SPSS software had been used. In case of linearity, the residuals should have a straight-line relationship with predicted dependent variable scores.

As shown on figure below, the change in the dependent variable is more of related to the change in the independent variable. Therefore, there is no linearity problem on the data for this study and residual follow at straight line.

#### Normal P-P Plot of Regression Standardized Residual

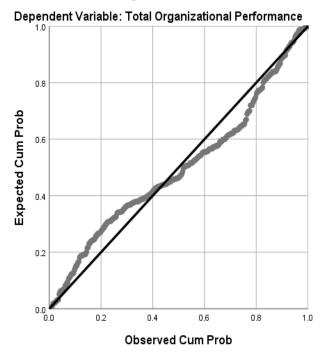


Figure 4.2. P-P Plot Linearity Test

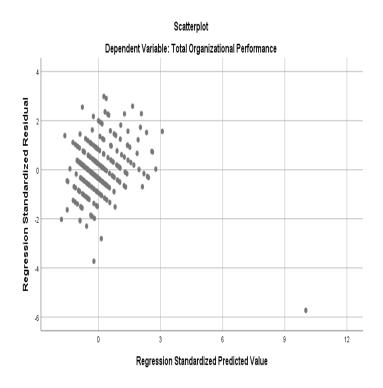


Figure 4.3. Scatter plot of organizational performance

# 4.5.3. Multicollinearity Test

Multicollinearity can be checked by correlation matrix and Variance Inflation Factors (VIF). A correlation matrix is used to ensure the correlation between independent variables (Explanatory variables) and dependent variables to identify the problem of multicollinearity. On the other hands, correlation matrix computing a matrix of Pearson's bivariate correlations among all independent variables and magnitude of the correlation's coefficients. Whereas the Variance Inflation Factors (VIF) of the linear regression indicates the degree that the variances in the regression estimates are increased due to Multicollinearity.

As Hair et, al. (2006) argued that correlation coefficient below 0.90 may not cause serious multicollinearity problem. The result in table of correlation part shows that, there is a correlation among the independent variables and the coefficient of correlation (r) is ranged from -0.022 to 0.085 values. From those coefficients of correlation (r) the highest correlation is 0.085 and it is less than the stated standard by Hair ET, al. So, it can be concluded that there is no multicollinearity problem among the independent variables in the model based on the correlation matrix result. on other hands, the collinearity statistics shows Variance Inflation Factors (VIF) ranged from 1.013 to 1. 047 and tolerance values ranged from 0.955 to 0. 987 as described in table below.

Collinearity Diagnostics		
Variables	Tolerance	VIF
Total Idealized Influence	.987	1.013
Total Individualized Consideration	.955	1.047
Total Inspirational Motivation	.959	1.043
Total Intellectual Stimulation	.981	1.019

A Dependent Variable: Total Organizational Performance

Source: Own survey data, 2020

As stated by Field (2005) the Variance Inflation Factors (VIF) of the Linear Regression indicated the degree that the variances in the regression estimates are increased due to multicollinearity and VIF values higher than 10.0 shows as there is multicollinearity problem. On the other hands, as stated by Pallant (2007), Tolerance is a statistical tool which indicates the variability of the specified independent variable from other independent variables in the model and it has no multicollinearity problem if the tolerance is greater than 0.10 values. The results of tolerance and VIF suggest that multicollinearity is not suspected amongst the independent variables, because the values of VIF are below 10.0 while the tolerance values are above 0.10.s

# 4.6. Regressing transformational leadership on organizational performance

Regression is a statistical measurement attempts to determine the strength of the relationship between one dependent variable (usually denoted by Y) and a series of other changing variables which is known as independent variables (beers, 2019). In this research the chosen regression type was multiple linear regression analysis given that the number of determinant /independent variables to predict the dependent variables are four specifically idealized influence, inspirational motivation, intellectual stimulation and individualized consideration, the regression was made between the independent variables which are the four different dimensions of transformational leadership with organizational performance.

The multiple regression models consist of a table that provides the R, the R-square, the Adjusted R-square and the standard of error of the estimate, which can be used to determine how well a regression model fits the data. The multiple correlation coefficients, R, can be considered to be one measure of the quality of the prediction of the dependent variable. The R2 value is the proportion of variance in the dependent variable that can be explained by the independent variables.

**Table 4.8:** Model of Summary

Model Summary							
Mode L	R	R Square	Adjusted R Square	Std. Error of the Estimate			
1	.683	.467	.466	.40237			
a. Predictors: (Constant), IS, IM, IC, II							

Source: Own survey (2020)

The transformational leadership attributes of idealized influence, inspirational motivation, intellectual stimulation and individualized consideration were regressed on organizational performance to predict their effect on organizational performance of Jimma University.

The coefficient of determination denoted by R2 (R Square) is a key output of regression analysis. It is interpreted as the proportion of the variance in the dependent variable that is predictable from the independent variable. A R2 of 0 means that the dependent variable can't be predicted from the independent variable. An R2 of 1 means the dependent variable can be predicted without error from the independent variable. An R2 between 0 and 1 indicates the extent to which the dependent variable is predictable.

The adjusted R square explains that 46 % of the change in organizational performance can be predicted by the combination of the four transformational leadership dimensions. This finding indicates that 54% of the variance in organizational performance at Jimma University was not accounted for by the study's variables, hence it can be inferred that 45.7% organizational performance at Jimma University determined by extraneous factors not considered in this study.

Table 4.9: ANOVA table

ANOVA						
		Sum of				
Model		Squares	Df	Mean Square	F	Sig.
1	Regression	42.352	4	10.588	65.359	.000
	Residual	48.408	299	.162		
	Total	90.760	303			
a. Dependent Variable: ORG						
b. Predictors: (Constant), IS, IM, IC, II						

Source: Own survey (2020)

The ANOVA helped to determine the model's significance in predicting the dependent variable, organizational performance. The finding revealed that F is 65.399 with P value of 0.000 significant which is less than (<.005) inferring that the model is significant. This indicates the variation explained by this model is not because of a chance rather transformational leadership has significant influence on organizational performance in Jimma University.

**Table 4.10: Coefficients of Regression Analysis** 

		Unstandardize	d Coefficients	Standardized Coefficients		
		В	Std. Error	Beta		
1	(Constant)	.449	.518		.867	.387
	II	.623	.042	.638	14.751	.000
	IC	.165	.036	.197	4.545	.000
	IM	.454	.133	.148	3.420	.001
	IS	.145	.071	.089	2.039	.042

a. Dependent Variable: ORG

b.

Source: Own survey (2020)

In the above Table (4.10) multiple regression coefficients were performed to determine the influence of transformational leadership on organizational performance of the University. It also provides result on the contribution of each independent variable on organizational performance. It indicates how much the dependent variable varies with an independent variable when all other independent variables are held constant. The p value showed the significance of the influence of the transformational leadership on the organizational performance. The largest beta value in independent variable, the more important contribution to the dependent variable.

As it can be seen from the above table, unstandardized beta value result that idealized influence was found to have a positively significant influence on organization performance in Jimma University ( $\beta$ =0.623, p=0.000<0.05. Here increase in idealized influence results 62.3 % increment in organization performance in Jimma University. Inspirational motivation was found to have a positive and significant influence on organization performance in Jimma University ( $\beta$ =0.454, p=0.001<0.000). This shows that when inspirational motivation increases it results in 45.4 % increment in organization performance. Moreover, individual consideration was found to have significant influence on organizational performance in Jimma University (( $\beta$ =0.165 p=0.001<0.05). This shows that an increase in Intellectual stimulation would lead to 16.5 % increment in organization performance in Jimma University. Besides, Intellectual stimulation was found to have significant influence on organizational performance. Overall, idealized influence was found the most influential factor followed by inspirational motivation in contributing to organizational performance in Jimma University as indicated in table 4.10.

Therefore, based on the result in the regression coefficient table 4.10 and accordingly to the above general mathematical equation the estimated regression model of this study for organizational performance in Jimma University is presented below.

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \varepsilon$$

$$Y = .449 + .623X1 + .165X2 + .456X3 + .145x4 + 48.408$$

Organizational performance = .449 + 0.623II + 0.165IC + 0.456IM + 0.145IS

#### **CHAPTER FIVE**

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the discussion of the findings as per the objectives of the study. The chapter also presents conclusions drawn from the findings and for practice. The conclusions and recommendations focused on addressing the purpose and objectives of the study.

# 5.1Summary of major findings

The purpose of this study was to investigate on the role of transformational leadership on organizational performance in Jimma University. The study also sought to investigate the influence of idealized, individualized consideration, intellectual stimulation and inspirational motivation influence on organizational performance in Jimma University. The study used a descriptive research design.

The study found that individualized consideration influences organizational performance in Jimma University to a moderate extent.

- The study revealed that leaders act as coaches and advisors to individuals. In addition, leaders' mentor the junior staff to improve personal and professional growth and that leaders support a flexible work schedule.
- The study established that leaders were keen to acknowledge and attend to employee needs and concern. Besides, leaders in the organization listen fully to understand the perceptions of followers.
- The study found that leaders in the organization moderately stimulate the intellect and imagination of the followers or subordinates. In addition, the study found that leaders in Jimma University encourage imagination and creativity. Further, the relationship between the staff and the leaders was considered good; employees in the organization were involved in problem solving and participated in decision-making.
- The study found that inspirational motivation influences organizational performance in the organization to a good extent. The studies also found that leaders motivate confidence among the staff and were responsive to employee ideas and thought. In addition, leaders

have articulated a clear vision for the future and exhibit a commitment to the goals that have been laid out, develop team spirit in employees and align individual and organizational goals.

- The regression result also revealed that all the four dimensions of transformational leadership dimensions which comprises of idealized influence, individual consideration, intellectual stimulation and inspirational motivation have significant contribution for enhancing organizational performance. Among these, idealize influence is the highest contributor followed by inspirational motivation.

#### **5.2 Conclusion**

The main objective of this study was tried to explore the effects of transformational leadership on organizational performance in the case of Jimma University. The uniqueness of this study lies in it focusing on transformational leadership as an important predictor of organizational performance. Based on the major findings of the study, the following conclusions were drawn.

The results from the study findings showed that idealized influence has significant contribution on improving the performance of the organization. Hence it can be concluded that organizational success highly depends on the ability of transformational leaders to inculcate clear vision and positively influence followers, responsiveness to their attention, developing trust on employees makes them to contribute all what they have for the accomplishment of organizational objectives.

The result revealed that individual consideration dimension of transformational leadership has a positive and significant influence on organizational performance in Jimma University. Therefore, it can be concluded that mentoring, coaching, treating employees based on their unique talent, characteristics and attention will help to improve personal as well as professional growth and adjusting a flexible work schedule leads to enhance commitment of employees and thereby bring valuable contribution to organization.

It is plain that today's organizations are operating their business in highly complex environment which demands continuous creativity and innovation to cope up with the ever-changing situation so as to maintain their competitive advantage. The discoveries of this study proved that intellectual stimulation has a significant effect on organizational performance in Jimma University. Thus, it can conclude when leaders stimulate the intellect and imagination of the followers and allows them to participate in decision making since it makes to develop sense

ownership and autonomous, they can devise new ideas that can bring significant change in the organization. The study also revealed that inspirational motivation has positive influence on the performance of the organization. When transformational leaders motivate employees through various incentives, this in turn enhances employee commitment and committed employees might have significant contribution for the organization.

#### **5.3. Recommendations**

-The study found that the leaders in Jimma University were leaders a high-level integrity and ethics and they were willingness to take the risk and attend to employee needs and concern their interest. This study therefore recommends leaders should become role model for followers in every aspect as well as they should inspire, communicate the vision and guide them inherently to realize the organizational objectives.

-The study found that the leaders in Jimma University acknowledge and attend to employee needs and concern of employees. This study therefore recommends that the management should give due attention to individual employees so as understand their needs, behaviors and talents to enable exploit his or her best potential and leaders develop effective coaching, mentoring and building capacities of their followers to enhance their skill which can subsequently influence the performance of the University

-In the current competitive and turbulent business environment the university needs to be creative and innovative. This study therefore recommends that the top management should support innovation and creativity through consideration of the opinions and views of the staff. In addition, the management of the organization should create conductive working environment that facilitate creativity & innovation.

-Incentives are known to improve the motivation and hence the productivity of employees. Therefore, this study recommends that the top management university should strengthen their incentive programs to increase the enthusiasm of the employees such as recognition, appreciation, career development, training and financial incentives.

-Moreover, university top management should ensure that its leadership focuses on the development of staff members through incentives, training, academics and their needs as this had the highest significance with regard to its effect on organizational performance.

-It is highly recommended that the top management should to get the right leader with great competences and experience as well influential effects in all levels of the university.

#### **5.4Recommendation for Further Studies**

This study was limited to the Jimma University main campus and hence its findings cannot be generalized to other colleges and faculties out of the main campus. This study therefore suggests that further studies should be conducted on the role of transformational leadership on the performance of higher education in Ethiopia. This will enhance the generalizability of the findings to the university. The study was also limited to one leadership style, that is, transformational leadership. The study suggests that further study should be carried out on the role of leadership styles on the performance of organization.

#### REFERENCE

Abbasi., (2013) Asim, (2013). Specific to Education Sector of Pakistan. International Journal of Scientific and Research Publications, 3(9), 11-21

(Anambra State Nigeria). The International Journal of Engineering and Science, 2(7) 70-80.

(amine, (2016)) Field, A. (2006). Discovering Statistics Using SPSS (2nded.). London: Sage Publication.

(Armstrong, (2003).) Avolio, b. j. (2009). leadership: current theories, research, and future directions. *annual review of psychology*.

(Balogun, (2008).) (Bass M. & Avolio, (1995).) (Bass, (1988).) Bass, B. (1999). Two Decades of Research and Development in Transformational Leadership.

(Bass, 1985) Bass. B. & Bass, R. (2009). The bass hand book of leadership: Theory, research and managerial applications: press.

(Beer, (2000).) Bennis, W. (1985). Leaders: the strategies for taking charge. New York: Haper and Row, Vol 24, No 4, pp.503-508.

(Best J. & Kahn, n.d.) Boston, M. M. (2009). Leadership style vs Leadership tactics. *The Journal of Applied Management and Entrepreneurship*, 59-73.

(C., (2008).) Chandran, E. (2004). Research methods: a quantitative approach with illustrations from Christian ministries. Nairobi: Daystar University.

(Cherry, 2012) Cohen, L. and Manion, L. (1994). Research Methods (4th ed.). London: Routledge Ltd.

(Choudhary and De Jong, (2013)) Hancott and Kalkavan, (2014). Creativity and Innovation Management, 20(2), 23-34.

(Fleming, (2006).)GoddyOsa.(2014)Igbaekemen Department of Sociology, Nigeria Police Academy.

(friends, (2015)) Applebaum, s. d. (2001). the realistic downsizing reviews a management intervention in the prevention of supervisor syndrome.

(Hall, (2002),) Igbaekemen, G. O. (2014). Impact of Leadership Style on Organization Performance: A Strategic Literature Review. Public Policy and Administration Research, 4(9), pp. 126-136.

(Kothari, (2004).) (Mortazavi., (2014)) Muogbo. (2013). A Study of Some Selected Firms.

(krejcieRV., (1970).) leadership: The Transformation of managers and associates.

(Linda, (2012).) Neuman W.L. (2007). Basics of Social Research: Qualitative and Quantitative Approaches. (2nded.). Boston: Pearson Education Inc.

(Bruce j, Avolio and Burnard M (2004) MLQ

(Mutahar, M, S &Kwasira, J. (2015)). Role of transformational leadership on Organizational change in selecte32d public secondary schools in Nakuru north sub County, Kenya. International Journal of Economics, Commerce and Management, 3(6), 362-372.

(Mwesigwa, Mwesigwa, & Sheikh, S.E. (2011). Impact of Employee Satisfaction on success of organization: Relation between Customer Experience2011) (Ali, (2012).

(Newman, (2011).)Noer, M. (1997). A prescription for personal and organizational change.

(Paton, (2004).) Paul, C. (2013). The Effect of Transformational Leadership on Follower's Affective Commitment to Change.

(Popescu, (2012).)Rimmer, M. (1996). Reinventing competitiveness:

(Saunders, 2007) shafik.h, A. (2012). back to the future revisiting change model. journal of management development

(Smith, (2005).)Snege, p. (1990). The Leader's New Work: Building Learning Organizations.

(Spinelli, (2006).) Tasha Kori, A. a. (2007). The new era of mixed methods.

(Tushman, (1986).) Vilet. (2013). Contingency Model. (Xirasagar, (2008).)

## **APPENDIX I**

Jimma University (JU)

## College of Business and Economics Department of Management

#### A questionnaire to be filled by employees of JU

This questionnaire is prepared by student of Master of Public Management (MPM) at JU to gather data about **The Role of Transformational Leadership on Organizational performance**(**The Case of jimma university JU**). The data to be collected will be used only for academic purpose. I.e. to produce a research paper this is a partial requirement for the student's award of Master of Public Management.

The investigator would like to confirm you that the information you will provide will certainly be kept confidential. Bear in mind that your information and its accuracy are the very inevitable inputs for the research to produce qualified paper.

If you face any question about this study please communicate the investigator for the better understanding on **skibirom7@gamil.com** 

- 1. No need of writing your name.
- 2. Please tick your responses against each question in the box and spaces provided.
- 3. Read the instruction and each question before attempting to complete it.
- 4. Thank you in advance for filling the questionnaires and making considerable sacrifices.

## **APPENDIX II**

# **QUESTIONNAIRE**

Please answer the questions below as precisely and truthfully as possible. Any information provided will be held with strict confidentiality and anonymity. In addition, your answers will only be used for academic purposes only. Kindly tick your responses against each question in the spaces provided and the Box.

A. General Information			
A1) Gender			
1. Female □ 2	2. Male		
A2) Age Bracket			
1. Below 25 Years		3. 36 to 45 Years	
2. 25 to 35 Years		4. 46 years and above	
A3) State your highest	level of educ	cation	
1. Secondary School		3. University/Degree	
2. College		4. Postgraduate	
5. PHD		6. Professor	
A4) for how long have y	you been wo	rking in jimma university?	
1. Less than 3 year's		3. 9 to 12 year's	
2. 3 to 9 year's		4. Above 12 years	
	ization? Usi	_	nents in relation to the Idealized tick the number corresponding to
1= Strongly Disagree 2=	= Disagree 3:	= Neutral 4= Agree 5= Stro	ongly Agree

Idealized Influence	1	2	3	4	5
Our leaders had a high level of integrity and ethics					
Leaders in our organizations are willingness to take the risk					
Our leaders are given an attention to the employee's interest					
Leaders are the role model for the followers					
Our leaders have an interest for the greater good of the good and make personal					
Leaders in our organization are admired and respected with other employees					
Leaders in our organization are trusted with other employees					

B2) to what extent do you agree with the following statements in relation to the Individualized consideration in your organization? Using a scale of 1 to 5 please tick the number corresponding to your opinion for each question.

1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

Individualized consideration	1	2	3	4	5
Our leaders pay close attention to the needs of followers					
Our leaders act as coaches and advisors to individuals					
Our leaders acknowledge and attend to employee needs and concerns					

Leaders in our organization listen fully to understand			
the perceptions of followers			
Our leaders support a flexible work schedule			
There is a coaching program in our organization to			
enhance personal skills			
Our leaders' mentor the junior staff to improve			
personal and professional growth			

B3) To what extent do you agree with the following statements in relation to the inspirational motivation in your organization? Using a scale of 1 to 5 please tick the number corresponding to your opinion for each question.

1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

Inspirational motivation	1	2	3	4	5
Our leaders encourage imagination and creativity					
The relationship with our leaders is good					
Our leaders appreciate creativity and innovation					
There is supportive supervision of employees in the					
organization that enhances creativity and innovation					
Our organization provides creativity- relevant activities					
Our leaders support critical thinking					
Employees in our organization are involved in problem solving					
Employees in our organization participate in decision-making					

B4) To what extent do you agree with the following statements in relation to the intellectual stimulation in your organization? Using a scale of 1 to 5 please tick the number corresponding to your opinion for each question.

1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

1	2	3	4	5
	1			

C) To what extent do you agree with the following statements in relationship of organizational performance with transformational leadership in your organization? Using a scale of 1 to 5 please tick the number corresponding to your opinion for each question.

1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

Organizational performance	1	2	3	4	5
Leaders in our organization are working to give a quality service					
our leaders working to achieve an organizational goal					
our leaders develop the long-range program					
our leaders using work time properly					
Leaders encourage and using our budget properly and timely					
our leaders using the organizational resource properly and functionally					
Transformational leadership have a big role to solve the community problem					
Transformational leadership have a role to fullfill interests of the community					
Transformational leaders have a role to give quality service to the customer					
Transformational leadership have a role to achieve the organizational goal.					

## **APENDIX II**

# Semi-structured interview to some selected middle level leaders' of jimma university (JU) 1. How does Leaders a role model for the followers in J.u? 2. Do leaders admired, respected and trusted with other employees in J.u? 3. Do Leaders give an attention to the employee's interest? 4. To what extent does inspirational motivation influence organizational performance in your organization? 5. Does Employees in your organization are involved in problem solving? 6. Do employees in your organization participate in decision-making? 7. Do Leaders take the risk in your organization and responsibility to employee ideas and thoughts in J.u?

If you have any other comments or opinion, please forward.	
10. Does Employee motivation in your organization promotes workplace harmony?	
9. Does leaders have articulated a clear vision for the future in your organization?	
J.u?	
8. What major roles do transformational leadership played in the organizational performance	in