

The Effect of Transformational Leadership on the Organizational Performance in Higher Education Institutions in Iraq

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Abstract

Higher education institutions in Iraq faces numerous issues which affected the performance of teaching staff and education quality. Thus, a university needs effective leaders who can inspire the teaching staff and drive transformation in the whole education process. Transformational leaders establish a vision to deliver transformation and change by motivating and inspiring followers. This study aims to identify the influence of transformational leadership on the organisational performance of Iraqi universities. 387 academic staff were sampled from five universities in Iraq and surveyed by using self-administered questionnaire. Structural equation modelling (SEM) and regression analysis were used to analyse the data. The result showed that transformational leadership has a significant effect on organisational performance. Therefore, a university should consider transformational leadership as a critical leadership quality in designing training programs and developing future recruitment policies.

Keywords:

Transformational Leadership, Organizational Performance. Higher Education Institutions

INTRODUCTION

Every higher education institution focuses on the quality of education outcomes and its academics' performance, without ignoring the primary role of universities and higher education sector in providing qualified and skilled staff. Highly qualified and skilled staff help the development and sustainability in higher education (Sabah, 2013). Accordingly, leadership style has been found as an important factor affecting the performance of educational institutions. Many organisations in various industries face competitive market challenges because of the lack of qualified leaders to manage the workforce in a very complex environment (Jandaghi et al., 2008). All organisations and industries are facing a different kind of challenges at present due to the high competition in the market and complexity of work, especially at the administrative level, thus leaders and administrators require a particular solution to face the challenges (Waham et al., 2020).

Transformational leaders have been acknowledged as having a positive influence on higher education institutions' performance by inspiring and motivating the subordinates (Al-Husseini, 2018). Transformational leadership plays a significant role in achieving

organisational success and transformation in outputs (Bhavani, 2017). The performance of Iraq universities is remarkably affected in terms of the quality of teaching, which is reflected in the quality of graduates and the lack of motivation among academics. For that reason, having a transformational leader is crucial to support independent commissions and champion internal reforms (Sabah, 2013).

With a growing number of university admissions each year, the absence of transformational leaders in Iraq higher education institutions will continue to accumulate problems related to graduates' poor quality in knowledge and skills. Therefore, there is a pressuring need to develop the skills of leaders in Iraq universities and retraining existing professionals (Sawsan & Jawad, 2014). Accordingly, this study aims to examine the influence of transformational leadership on the performance of Iraq universities.

LITERATURE REVIEW

Issues of higher education in Iraq

Iraq higher education is experiencing significant challenges mainly regarding the value of the proposed program, the performance of the academics and graduates, as well as the quality of the infrastructure (institutions, labour market, etc.), and mediocre budget for scientific research, and management of educational institutions (Sabah, 2014). Simultaneously, the gap between the level of education available in Iraq universities and the requirements for sustainable economic development continues to widen. The Ministry of Higher Education and Scientific Research of Iraq currently lacking lots of resources for labs and developments of more buildings (UNESCO office of Iraq, 2010). It is evident that despite international efforts to rebuild the Iraq education system, the rehabilitation of human and institutional capacities in Iraqi universities is still underfunded. There is a need to improve the teaching performance of lecturers and open more research centres to restore the desired portion of Iraqi universities in the global scientific community (Waham et al., 2020). All these efforts will be reflected in the quality of education and then improve the performance of Iraqi universities. In summary, the challenges facing the scientific research sector in Iraq are represented as follows:

- Leadership challenges: The lack of effectiveness in the administrations of scientific research, and the complete absence of supporting laws (Katherine, 2011).
- Funding problems: A poor or sometimes indistinct government budget in Iraqi universities to fund scientific research (Sabah, 2013).
- Strategic challenges: Lack of transparency in the administrative setting and realistic strategies in universities' scientific research sector in various fields (Hester, 2009).
- Information technology challenges: The lack of access to publication and exploitation of academic research enables free access without consent, insufficient statistics, and limited access to data on the internet (Rakesh et al., 2009).
- The scientific research interference from state government limits the flow and freedom of research and innovation (Sabah, 2013).
- A considerable gap between scientific research places within universities and centres in the private sector (Sattar, 2010).

Transformational leadership

Transformational leadership is considered as a dynamic and basic means that has become gradually needed in all local, national and international organisations to improve

organisational performance and achieve the balance and harmony between the social and organisational aspect of the administrative process (Northouse, 2016). Furthermore, leadership plays a vital role in the response towards the continuous challenges in organisations. The transformational leadership could be the potential solution in the period of strong competition between organisations and random changes in the external environments (Elbaz & Haddoud, 2017). Transformational leadership is based on Four I's characteristics, as shown in Figure 1.

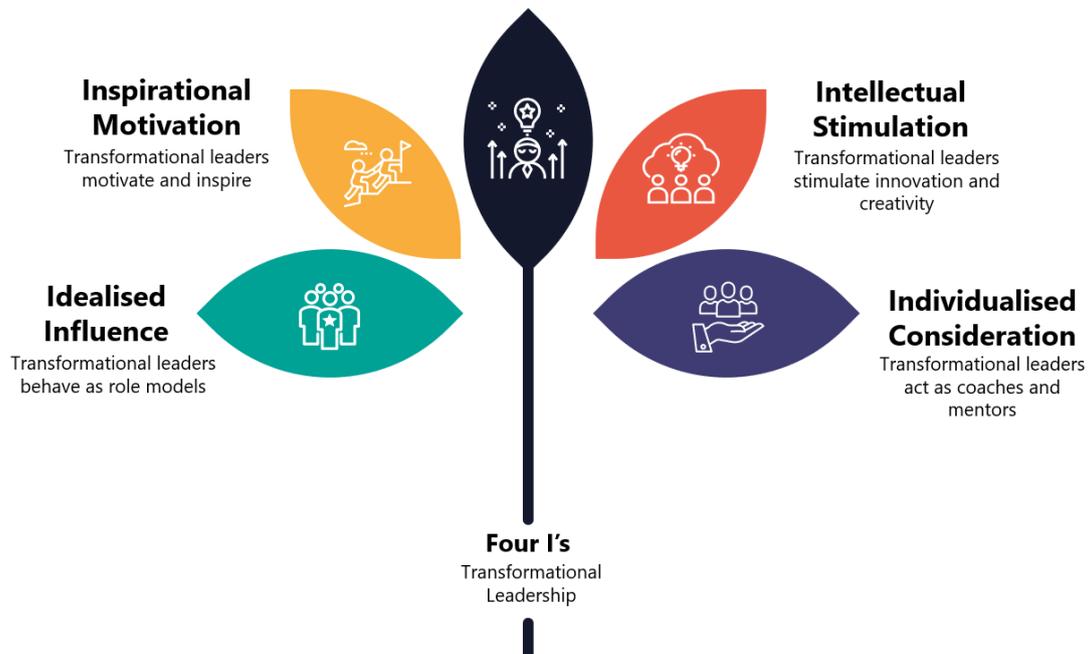


Figure 1: The four I's of transformational leadership (Bass, 1985, 1990, 1995, 2008)

Researchers have shown that transformational leadership is a valid leadership theory through research of for-profit organisations (Spreitzer, 2017). There are three great schools of thoughts that are the basis of most research on transformational leadership models: (1) Bass and Kouzes, (2) Posner and Bennis, (3) Nanus, Bennis and Nanus (1985), which identify the four following characteristics of transformational leaders:

- 1) Build trust
- 2) Use the creative deployment of the strengths of leaders
- 3) Present a clear vision
- 4) Act as social architects

Bass (1985), improved the transformational leadership model on several occasions:

- In 1990: idealised influence of the charisma.
- In 1985, 1995: implementing criteria to measure transformational leadership
- In 1994, 2000 (in collaboration with Avolio): new conception with three factors namely charisma, individualised consideration, and intellectual stimulation
- In 2008: the judgment developed in 1985 transformational leadership is not similar to charismatic leadership (charisma is primordial), so the transformational leader must encourage positive thinking, and handle organisational issues independently.
- He has kept the same types of attitudes that characterise the behaviour of a transformational leader: charisma, individualised consideration, intellectual stimulation, with the addition of the motivational, and inspiring character.

Idealised influence (Charisma)

Charismatic leaders have an idealised purpose that offers an ideal future and a remarkable ability to distil complex ideas into simple messages (Rowold and Heinitz, 2007; Yukl, 2013). Gholamreza et al. (2009) stated that idealised influence shows the development of trust in the followers. It is a radical factor in accepting changes in the organisation.

Inspirational motivation

Transformational leadership is known for its energy and enthusiasm. A transformational leader considers inspiring and motivating the followers to be the most important quality in a team. The leader must always listen to the followers and encourage them to adopt and accept permanent changes in the organisation in an inspiring way (Gholamreza et al., 2009).

Intellectual stimulation

According to Jeff et al. (2015), the ultimate mission of transformational leaders is to encourage followers through enduring creativity that revolves around enhancing thinking to find innovative solutions and ideas to existing problems. Intellectual stimulation is an essential characteristic in which a transformational leader excites followers intellectually. Thereby, a transformational leader can always engage the followers in innovative activities through stimulation and excitement to be creative and challenge them to show their best in work (Qistina & Khashini, 2017).

Individualised consideration

The crucial role of transformational leaders is to help their team to develop their talents within the organisation (Jeanette, 2015). Knowing the character of each of his team and being ready to listen to them, understanding their needs and feelings and transforming them into organisation's valuable resource for better performance are important characteristics of a good transformational leader (Gholamreza et al., 2009).

Organisational performance

Several studies have been conducted on organisational performance. For example, Oluseyi and Ayo (2009) stated that employees' effort is directly reflected in the success of organisations. Meanwhile, Chen (2012) defined organisational performance as transforming inputs into outputs, and later measured by certain economic criteria, including efficiency and effectiveness. According to Ndabahaliye (2013), organisational performance is the identification of strategic objectives and the methods or strategies to be implemented to achieve them. It is also necessary to clearly understand the current situation (inventory), draw a projection into the future, and subsequently examine the degree of achievement of the results achieved. Roughly speaking, organisational performance is the evaluation of results achieved against expected objectives.

Abdullah (2014) asserts that organisational performance is also the results of administrative procedures. He further explained that if the organisation hires efficient employees, then the performance of the organisation would also increase and subsequently, more advantage could be achieved in a short time. Therefore, it is necessary to ensure that employees are well versed with their company missions and organisational expectations.

Moreover, a good relationship between staff and managers is needed to encourage trust and job empowerment. In short, two components for measuring organisational performance are used to evaluate higher education institutions' performance.

Job Performance

Job performance is a well-known research area in organisational science. Odhiambo (2014) declares that performance is only an index attached to several variables such as skills and knowledge of individuals, training and motivations. According to Sultana et al. (2012), the performance of an organisation is directly linked to the performance of the employees, especially the tasks to be accomplished (speed, cost, precision, etc.), therefore, it is necessary to invest in efficient human capital, which would bring a remarkable performance to the organisation in return. Ramlall (2008) reinforces that innovation, creativity and employee engagement are directly observed in the organisation's success. On a different note, Brent (2010) asserts that employees' personal criteria such as charisma, experiences, skills, and abilities determine their performance.

Education Quality

Quality is a term that carries important meaning to both producer and customer. Quality shows partially positive effects on operating performance of an organisation. In business, engineering and manufacturing, quality has a pragmatic interpretation as the non-inferiority or superiority of something; it is also defined as fitness for purpose. In contrast, many universities realised that their survival in the higher education market depends highly on producing high-quality educational services. Thus, education quality is a perceptual, conditional, and somewhat subjective attribute and may be understood differently by different people (Elias, 2015). Education quality is regarded as the independent variable, whereas organisational performance represents the dependent variable. The correlation between education quality and university performance needs to be further investigated (Jen & Lin, 2014) especially in the presence of transformational leadership.

The relationship between transformational leadership and organisational performance

For years, management researchers studied and debated the link and association between organisational performance and transformational leadership. The majority of studies in the past showed this relationship is significant. The impact of transformational leadership over university performance is significant as well. The reliability analyses of the scales used in the study showed significant results Cemal et al. (2011). Atif (2015) attempted to identify the impact of transformational leadership on organisational performance in the banking sector. His study showed that transformational leadership dimensions (idealised influence, inspirational motivation, intellectual stimulation, individualised consideration) affected organisational performance at the structural, technological and people level from the branches managers' perspective. Ehsan (2009) examined the effect of leadership styles on employees' performance and, in general, the organisation's overall performance. The study revealed that transformational leadership correlated with organisational performance and was more effective than transactional leadership. In the same context, Raluca (2015) investigated the impact of various leadership styles on organisational performance. The researcher claimed that education in the university is considered effective after balancing between the demands of various stakeholders (owners, employees, customers, community) and the employees' needs. He provided empirical evidence that transformational leadership could increase the

performance of the organisation. Based on the results of previous studies, this study hypothesised that transformational leadership affects organisational performance in a direct correlation. Thus, the following hypothesis is investigated.

Hypothesis: Transformational leadership has a significant relationship with organisational performance.

RESEARCH METHODOLOGY

This study used quantitative methods using statistical approaches. Survey research was undertaken in selected universities in Iraq. These universities are distributed across Iraq’s southern area to get precise and exhaustive answers on research questions. The respondents are academics staff. The total number of respondents in the selected universities was 387 individuals representing the academic staff of five universities (University of Basrah, University of Al-Qadisiyah, University of Thi-Qar, University of Misan, and University of Al-Muthanna). The data collected from the respondents were used to examine the direct association between transformational leadership and university performance based on SEM and regression analysis.

RESULTS AND DISCUSSIONS

The validation of the hypothesis developed in the earlier section was achieved through structural equation modelling (SEM) and the Critical Ratio (C.R). The C.R will be formed when the estimate is divided by its standard error. If C.R value equals 1.96 or higher (and – 1.96 and lower), then a hypothesis is true (Garson, 2005). Thus, a C.R should fall in the range of > 1.96 or < -1.96 . Its primary purpose is evaluating a correlation between the independent variable “transformational leadership” and the dependent variable “organisational performance”. The result from SEM analysis shows that $C.R = 3.153$ between transformational leadership and organisational performance. C.R positive and significant ($\rho \leq 0.05$), thus this result indicates a significant association between transformational leadership and organisational performance.

The second analysis is ANOVA which reports the degree of regression model fit between transformational leadership and organisational performance. Interpretation of the output data in ANOVA Table 1 specifies the correlation is statistically significant since the p -value ≤ 0.05 . Accordingly, the researcher validated the alternative hypothesis. In other words, the changes in organisational performance are mainly due to the change in transformational leadership. Hence, the output of regression is a good fit for the data.

Table 1: Output of ANOVA analysis

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	37.544	1	37.544	82.909	.000 ^b
	Residual	174.341	385	.453		
	Total	211.885	386			
a. Organisational performance (dependent variable)						
b. Transformational leadership (independent variable)						

Moreover, reading the magnitude of F in ANOVA = 82.909. This ratio should be large enough and greater than (1) in order to consider the variation between the means of transformational leadership and organisational performance is not caused by chance. Table 2 provides the basic information to predict the change in organisational performance from the change in transformational leadership. Based on Table 2, the link between transformational leadership and the dependent variable, organisational performance is statistically significant because of p -value = 0.000. Moreover, it is found that the unstandardised Coefficient (B) = 0.689; thus an increase in transformational leadership will increase the organisational performance.

Table 2: Coefficients of regression between transformational leadership and organisational performance

Model		“Unstandardised Coefficients”		“Standardised Coefficients”	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.081	.260		4.163	.000
	Transformational Leadership	.689	.076	.421	9.105	.000
a. Dependent Variable: Organisational Performance						

CONCLUSIONS

The research project reveals several theoretical contributions to the discipline of transformational leadership theories. The results showed a significant relationship between transformational leadership and organisational performance. As the transformational leadership was found to impact organisational performance, a contribution of current research to the literature was the additional of transformational leadership in the organisational performance model. In this study, transformational leadership is leadership style where a leader works with the followers (academic staff) to identify the need for changes and develop a vision to direct the change through motivation, inspiration, and excitement to change. Those leaders are committed to promoting innovation among followers. In other words, a transformational leader aims to transform the norms and values of academic staff based on creativity and innovation, whereby the leader motivates the staff to perform beyond their expectations.

The transformational leadership is measured through four dimensions, namely inspirational motivation, idealised influence, intellectual stimulation and individualised consideration. In contrast, organisational performance is the combination of improvement in the performance of academic staff and the quality of the education process. Therefore, organisational performance is a multidimensional variable based on various job performance and education quality. The study examined the relationships between transformational leadership and organisational performance.

Based on the findings of this research project, several recommendations are given to higher education institutions. First, higher education institutions should be less dependent on a single leader or rely on a traditional leadership style. The result of this study demonstrated that transformational leadership is a significant determinant of university performance.

Therefore, it is the utmost priority to appoint a transformational leader capable of dealing with difficult situations using intellectual stimulation and inspirational motivation with the academic staff to drive university excellence. The leader in Iraq universities should allow the academic staff to work as a team and enable innovative ways to accomplish tasks.

Secondly, leaders of higher education institutions should let the academics express their feelings and problems without restrictions and provide more attention and care to their complaints. It is essential to improve lecturers' condition at work by listening to their needs and suggestions. Appreciating their suggestions will change the attitude of academic staff positively and develop their teaching skills. Finally, leaders of various departments in Iraq universities should always focus on the performance of academic staff, in particular, their skills and knowledge by sharing ideas and decisions and encourage them to work through open discussion and effective communication.

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