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## LEADERSHIP STYLES AND ORGANIZATIONAL PERFORMANCE

### IN MOGADISHU SOMALIA

Mohamed Jamal Abdi  
SIMAD University  
[maxamedjamaal2006@hotmail.com](mailto:maxamedjamaal2006@hotmail.com).

#### **ABSTRACT**

*The purpose of this study was to examine the relationship between leadership styles and Organizational performance in Mogadishu-Somalia. A list of 100 staff and management working in Mogadishu was obtained to be participating in this study. The objective of the study was to analyze the relationship between transformational leadership style and organizational performance. And To determine how transactional leadership styles has affected labor management relations and productivity in the selected area of study...The study was conducted through survey; data is collecting using questionnaire. A significant strong relationship was found between Organizational performance and transformational ( $r=0.802$ ,  $p=0.000$ ). The result further indicated week positive significant relationship between organizational performance and transactional leadership style ( $r=0.272$ ,  $p= 0.007$ ).*

**Keywords:** *Leadership, transformational leadership style, transactional leadership style, organizational performance, productivity, profitability, management, employee.*

#### **INTRODUCTION**

Kraines (2001) stressed that the word leadership has been used by most disciplines: political science, business executives, and social workers. However, there is large disagreement as regard the accurate Meaning. This view was also supported by Taffinder (2006, pg. 6), who gave different definitions to leadership: “a simple meaning: leadership is acquiring people to do things they have never thinking of doing, do not trust are potential or that they do not want to do”. With reference to an organization, he defines leadership as “the action of taking employees to contribute their best to the purpose of the organization”. Taffinder (2006) While on a complex and more accurate view, he explains that you only know leadership by its consequences from the

fact that individuals or a group of people start to behave in a particular way as a result of the actions of someone else". It is important to distinguish between leadership as an organization function and as a personal quality. According to Bowery (2004), the later entails special combination of personal characteristics which brings to light qualities and abilities of individuals. The former refers to the distribution of power throughout an organization and it brings to focus the pattern of power and authority in the organization. Defining leadership in it various reflections is very important. However, it is necessary to make strong what focus of its definition is referred under what condition. A previous view about leadership shows that seen as a personal ability. However, Mesick and Kramer (2004) were of the opinion that the degree to which individual" exhibit leadership depends not only on his characteristics and personal abilities, but also on the characteristics of the situation and environment in which he finds himself. In Somalia, the environment is risky and challenging weak management policies and ineffective leadership styles. Considering the selected telecommunication companies for this study, the effectiveness or ineffectiveness lies in the leadership and organizational performance some common problems was mentioned to affect organizational performance in Somali telecommunication. However, suggestions were made that the right type of leadership and performance were not applied in managing Somali workers.

Organizational performance: this was explained by Stankard (2002) not to mean the performance of the single parts or units of the organization but the product of all interactions taking place in the organization. The relationship between leadership and organizational performance it is important to distinguish between leadership as an organization function and as a personal quality. According to Bowery (2004) the later entails special combination of personal characteristics, which brings to light qualities and abilities of individuals. The former refers to the distribution of power throughout an organization and it brings to focus the pattern of power and authority in the organization. Chikwendu (2006) further stressed those different work situations need different styles if they are not perform optimally. Often, manager's skills could be said to be diagnostic. The manager assesses all relevant factors affecting work. However, diagnosis may not always be followed by proper behavior because managers could find it difficult to change their styles (Boswell, 1973).

This study was guided by “the situational theory” which was developed by Paul Hersey, a number of leadership theories were developed over time, most of them were in the late 1950’s and 1960’s. These theories emphasized the need for traits and behaviors of leaders to vary with situations if they are to be effective at work (Patchian, 1962).

Leadership is getting people to do things they have never thought of doing, do not believe are possible or that they do not want to do” (Taffinder, 2006) Leadership is a dynamic, interactive influence process among individuals for which the objective is to lead one another to the achievement of group organizational goals (Follett, 1951). Leadership is an art of motivating a group of people to act towards achieving a common goal. This study focused on how the role of leadership affects organizational performance at some selected telecommunication companies in Mogadishu Somalia. In Somalia the extent (degree) to which all members of an organization use their abilities and influences in the effective utilization of resources depends upon how well the managers (leaders) of the organization understand and perform their jobs (Maddock and Fulton 1998).

(Maddock and Fulton 1998) explained that leadership and other processes of the organization must be such that can ensure maximum probability within all interactions and relationships with the organizations, each member will in the light of his background, values and expectations, view the expenses as supportive and one which can build and maintain his sense of personal worth and importance. In a divided and institutionally weak environment, Somali telecommunication companies have neither the resources nor the technical capacity to develop an effective evaluation system of leadership for telecommunication workers and to implement them (Austen Davis, 2008). This study focused on how the role of leadership affects organizational performance in Mogadishu Somalia.

In view of this, there is the need to identify the role of leadership styles and organizational performance in Mogadishu-Somalia, this study has two objectives which are:

1. To analyze the relationship between transformational leadership style and organizational performance in Mogadishu Somalia.
2. To determine how transactional leadership styles affected labor management relations and productivity in the selected area of study.

## **TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL PERFORMANCE**

According to (Bass, 1985 & Burns 1978) the difference between transformational and transactional leadership lies in the way of motivating others. Transformational leader's behavior originates in the personal values and beliefs of the leader and motivates subordinates to do more than expect identified transformational leadership as a process where, "one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality". Transformational leadership is the ability to motivate and to encourage intellectual stimulation through inspiration (Avolio, 2004; Dvir, 2002).

McColl-Kennedy & Anderson (2005) further defined transformational leadership style as guidance through individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence. Transformational leaders fundamentally change the values, goals, and aspirations of followers who adopt the leader's values and, in the end, perform their work because it is consistent with their values and not because they expect to be rewarded (Kuhnert & Lewis, 1987; MacKenzie et al., 2001).

Transformational leadership which encourages autonomy and challenging work became increasingly important to followers' job satisfaction. The concept of job security and loyalty to the firm for one's entire career was disappearing. Steady pay, secure benefits, and lifetime employment were no longer guaranteed for meritorious performance. At the same time, transactional leadership alone could not provide job satisfaction (Bass, 1999).

Fenwick and Gayle (2008), in their study of the missing links in understanding the relationship between leadership and organizational performance conclude that despite a hypothesized leadership-performance relationship suggested by some researchers, current findings are inconclusive and difficult to interpret. From this review of related literature, it is evident that although some scholars believe that leadership enhances organizational performance while others contradict this, different concepts of leadership have been employed in different studies, making direct comparisons virtually impossible. Gaps and unanswered questions remain. Consequently, the current study is intended to re-examine the proposed leadership-performance relationship and, thus, contribute meaningfully to the body of growing literature and knowledge in this area of study. A positive relationship between transformational leadership and performance has been

proposed and linked in a number of studies by researchers such as Bass (1997), Avolio, Bass & Jung (1999), Howell & Hall-Merenda (1999), and Elenkov (2002).

As described by Kouzes & Posner (2002) there is a positive relationship between each leadership practice and organizational performance.” Research by House, Sprangler & Wolycje (1991), Howell & Avolio (1994), Waldmann & Yammarino (1999) and Elenkov (2002) suggest some specific attributes and behaviors are particularly effective in achieving superior performance.

## **METHODOLOGY**

**Research Design and Sample** This study employed correlation design to investigate the relationship between leadership style and organizational performance also we used descriptive statistics to identify the characteristics of our respondents, the sample comprises, (100) respondents.

**Sample Procedure** The study was none probability the sampling technique that we used was purposive sample (PS). This technique selects a sample without bias from the target accessible population. Its main purpose is to select a purposive (representative) sample.

We chose it because it ensures that each member of the target population has an equal and independent chance of being included in the sample. It also produces a purposive sample.

**Measurements of Variables** We adapted questionnaire that are slightly modifying from by (Owolabi Yusau Lawal & Chukwuma Kingsley Chukwuebuka in 2007) the questionnaire contains two variables, the independent variable are 6 items and dependent variable 4 items with likert scale.

**Data Analysis** The researchers was used descriptive statistics especially frequencies, mean and standard deviation to analyze the data. Correlation analysis was also be employed by using Pearson’s product correlation coefficient to analyze the role of leadership and organizational performance.

**Reliability Test** The reliability test conducted to determine the internal consistency of the measures used, the table 1 shows that overall variable have Cronbach Alpha values of more than 0.7. which makes all variable accepted, internally consistent and the scale deemed reliable for further analysis.

## **FINDINGS AND DISCUSSION**

**Demographic Profile** Based on the Gender 91 of the respondents were male 92.9% and 7 respondents were female almost 7.1%, there was a difference of both the male and female since the margin between the two sexes were large.

Ages of the respondents, majority of them were in between the ages of 30-40 years (39.8%) and (22.4%) was at the age of 41-50 years, 18-29years were (20.4), while the minority of them 3.9% were above 30 years. Thus, this result indicates that the majority of the respondents are aged among 30-40 years, and also shows that women working in Mogadishu are in-between twenty and thirty years old.

The respondents participated in this study 14.3% of them were post graduate diploma, 49.0% hold bachelor, and 36.7% of the respondents were master degree. The result indicates that the majority of the respondents hold bachelor that almost (49.0%).

**Descriptive Analysis** on Organizational Performance on Leadership Styles According to the first objective of the study was find out the organization performance was scored normal mean of 3.24 overall and standard deviation of 0.627. The result indicates that organizational performance has good effect to the leadership style. The first objective of this study was to analyze the relationship between transformational leadership style and organizational performance. To achieve the objective respondents were subjected to a number of questions to provide answers to research question mentioned above.

Organization performance have supported for leadership participation in decision making was scored high mean of 3.24 and standard deviation of 0.627 which indicates that the policies of organizational performance in Mogadishu have supported their management participation in decision making. The data have been collected through questionnaire distributed randomly on management and staff working in Mogadishu. A sample 100 questionnaire were distributed only 98 of them were responded. This gives the researchers a response rate of 98 percent.

Means and Standard Deviation of Organizational performance Interpretation refers to ability of an activity to achieve such Middle influence Objectives as high profit, quality product. 3.16 0.587 Organizational performance 3.24 0.627 can also be used to view how an activity is doing

in Middle influence terms of level of profit, market share and product quality. Organizational performance is a mirror image of productivity of members of a Middle influence enterprise measured in terms of revenue, profit, growth, and development. 3.03 0.392 My performance is regularly assessed Middle influence 3.03 0.392 Total Mean Index 3.12 0.499 Agree

## **DISCUSSION**

The purpose of this study was to examine the role of leadership styles and organizational performance in Mogadishu-Somalia. This study also attempted to investigate what leadership styles contribute to the high level of performance. Two objectives had this study, the first objective of this study to analyze the relationship between transformational leadership style and organizational performance in Mogadishu. The second objectives of this study to determine how a transactional leadership style has affected labor management relations and productivity in the selected area of study.

The finding of the study supported both the first and second objective of the study. A significant strong relationship was found between transformational and transactional leadership style and Organizational performance. The transformational leadership style positively influence organizational performance in Mogadishu. In other words, the findings supported management and Staffs working in Mogadishu significantly preferred the type of leadership styles. However, there is strong relationship between transformational leadership style and organizational performance.

The findings supported that, the management and staff preferred transformational leadership style over transactional leadership styles. The findings of this study also supported by Muniandi, (2010) which has indicated there is a significant relationship between organizational performance and transformational leadership ( $r=0.574$ ,  $p=0.000$ ) and transactional leadership and organizational performance ( $r=0.178$ ,  $p=0.000$ ).

## **CONCLUSIONS**

This study was examining the leadership styles and organizational performance in Mogadishu-Somalia. The objectives of this study were To analyze the relationship between transformational leadership style and organizational performance in Mogadishu Somalia and To determine how

transactional leadership styles has affected labor management relations and productivity in the selected area of study.

The result of the study indicated that there are positive significance relationships among transformational, transactional and organizational performance. In other words, there is strong relationship between transformational leadership style and organizational performance while there is weak relationship between transactional leadership and organizational performance.

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