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ISSN (Online): 2455-7838

SJIF Impact Factor : 6.093

EPRA International Journal of

Research & Development (IJRD)

Monthly Peer Reviewed & Indexed
International Online Journal

Volume: 4, Issue:3, March 2019



Published By
EPRA Publishing

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LEADERSHIP STYLE ON ORAGANIZATINAL PERFORMANCE AT TELECOMMUNICATION COMPANIES IN MOGADISHU - SOMALIA

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ABSTRACT

The objective of this study was to witness the leadership style on organizational performance of the telecommunications companies in Somalia. This study viewed the impact of the leadership style of all the mechanisms of organizational performance those were specifically; transformational leadership, transactional leadership to testing telecommunications companies in the Mogadishu area. The study employed explanatory and descriptive research design. A sample of 75 respondents was selected using the stratified sampling technique. The data collected through cross sectional questionnaire. The findings discovered that transformational leadership style, transactional leadership style, are significant determinants of organizational performance of the telecommunications companies in Somalia. The findings indicated that the most important variable in the model was transformational leadership style ($\beta = .251$). This was followed by transactional leadership was ($\beta = .154$). The study, therefore, recommends that telecommunications companies in Mogadishu needed to have transformational leadership style and transactional leadership style policy that based on cost reduction, responsiveness, flexibility, service delivery and efficiency of asset utilization, were effetyely positively on the overall organizational performance

KEYWORDS: *Transformational leadership, transactional leadership and organizational performance*

INTRODUCTION

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.

Extensive globalization and competition made twenty first century's business environment more complex than ever before. The economic environment is becoming turbulent and volatile due to high globalization and competition (Parry 2003); which imposes high demand for new, flexible, adaptive and innovative organization in exchange for old, static, permanent and traditional. This changing scenario made the service sector including telecommunication industry to go through revolutionary events; raising the need for effective

leader who is with capability of adjusting an organization for ongoing and/or upcoming changes.

The ever-dynamic business environment and excessive competition again demands business to opt and adapt new strategies to remain in business (Bass & Avolio, 1999). According to the authors, improving marketing techniques and ensuring the presence of effective leadership are the two important strategies to be employed to remain in the business. The telecommunication can be competent and remain in business by using these strategies: boasting liquidity by marketing financial service for both existing as well as potential customer, by outsourcing prospective borrower and effectively and efficiently mobilizing and using them for the attainment of its goal through ensuring effective leadership.

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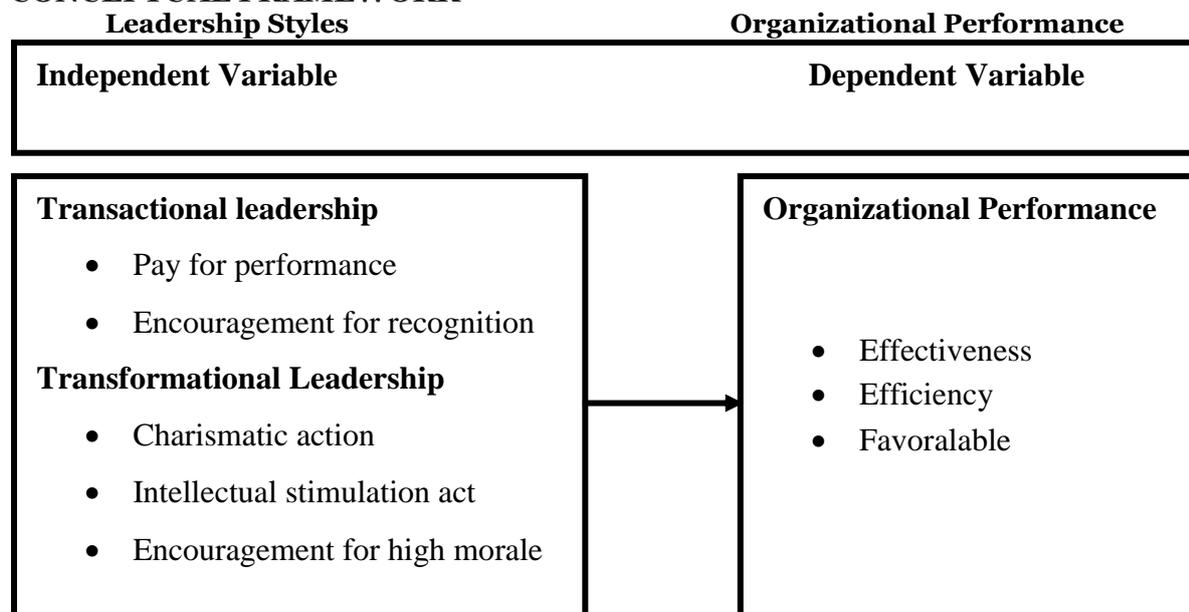
to high globalization and competition (Parry 2003); which imposes high demand for new, flexible, adaptive and innovative organization in exchange for old, static, permanent and traditional. This changing scenario made the service sector including telecommunication industry to go through revolutionary events; raising the need for effective leader who is with capability of adjusting an organization for ongoing and/or upcoming changes.

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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 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.

CONCEPTUAL FRAMEWORK



Illustrates two independent variables, namely transformational and transactional leadership styles, all conceptualized to have effects on the level of organizational performance. Transactional leadership styles have been conceptualized as pay for performance and encourage for recognition while transformational leadership styles were conceptualized as charismatic action, intellectual stimulation act, and encouragement for high morale. Transformational and transactional leadership styles have been hypothesized as directly influencing effectiveness, efficiency and favorable.

LITERATURE REVIEW

This chapter was discussing the related literature of leadership styles and organizational performances. Leadership style has been recognized as an important topic in the field of organizational

performance. Leadership is one with the most energetic effects through individual and organizational collaboration. In additional meaning, ability of administration to implement collaborated effort depends on leadership capability (C , Obiwuru Timothy; T (Corresponding Author), Okwu Andy; O, Akpa Victoria; A, Nwankwere Idowu., 2011).

Leadership a style of that is use, to motivate, stimulate and convert the all followers into leaders' style which is called transformational of the leadership style. It is exciting the works to work in an increase interest of their own, make them invent and creative. The psychological happiness of the employees is through connected to the good of the works as this style improves the capability of the worker to recognize their task in a healthier way as cited Chuang (2009).

Another study shows an individual at working place theatres a significant role to generate the trust aspect between the leaders and the assistants. The association between the belief and the employees is optimistic; as the trust issue is superior the outcome of the organization performance would be helpful, it means that design and builds a strong connection for leaders and their workforces (Tahir1, (Fall2015)).

Theories of Leadership

Among the several theories of leadership and incentive connecting to effective organizational modification management, possibly the most projecting is the transformational leadership and transactional leadership theories. As clarified in Saowalux and Peng (2007), Burns (1978), theorizes two aspects to separate “ordinary” from “extraordinary” leadership: transactional and transformational leadership. Transactional leadership is based on conservative exchange relationship in which supporters’ compliance (energy, output, and faithfulness) is replaced for expected motivations. In contrast, transformational (extraordinary) leaders raise groups’ realization levels about the position and worth of selected results and ways of accomplishing them. They also motivate co-workers to exceed their own direct self-regard for the sake of the mission and vision of the organization (C , Obiwuru Timothy; T (Corresponding Author), Okwu Andy; O, Akpa Victoria; A, Nwankwere Idowu;, 2011).

Concepts of leadership styles

Leadership is viewed as a social influence process through which one individual exerts influence intentionally over others to structure the behaviors and relationship within a group or organizations. Yuki (1994) opines that the specific construct of leadership very considerably. For instance, over the past years, leadership has been in terms of personal traits, individual behavior, interpersonal influence, situational factors and a combination of these.

According to Singapore Productivity Association (SPA, 2010): there posited that leadership is a social influence which individual exhibits and gets the support of other persons in the accomplishment of a common goal. It has to do with the role someone play in influencing followers in order to achieve organizational goals. Another connotation of leadership considered by Moshane and Vanglino (2000) maintained that leadership is the process of influencing people and providing an enabling environment for them to achieve team or organizational goals and objectives. Inyang (2004:121) defined leadership as a process which involves the use of non-coercive influence to shape a group or organizational goals, motivate behavior towards achieving the goals as well as define the group’s culture.

RESEARCH METHODOLOGY

This study was taken either the quantitative and qualitative approach or paradigm particularly

cross functional study design. It was use the quantitative approach in that it was based on variables with numbers and analyzed with statistical procedures (Creswell, 2003). It also takes the qualitative approach because it aimed at obtaining data expressed in non-numerical terms (Amin, 2005). In particular, it was a cross-sectional design because it was use to gather data from a sample of a population at a particular time (Amin, 2005) and in so far as pertinent data were collected from all respondents once and for all to reduce on time and costs involved (Creswell, 2003). The study was also use a survey in that it involves a large number of respondents at one point in time (Best & Kahn, 1993). The target population of this study were the three telecommunication companies in Mogadishu, Somalia and the number of the population is unknown. Lack of information from three Companies which are denied to give investigator full details on their population. Therefore, the researcher was use literature review both population and sample (DEMBA, OCTOBER, 2013). The study focused on the section and particularly at the senior, middle and low-level staff who are directly dealing with the day to day management of the Human resource management.

The target population to which the study was generalized were all the 250 employees from three telecommunication companies in Mogadishu. Of these 140 employees from Hormuud (Mohamed Mohammad Farah, HR), 90 from Somtel telecommunication company (Mohamed Ibrahim, HR), while the 20 from Nationlink (Osman Mo`alim Mohamad, HR).

CORRELATIONS ANALYSIS

Pearson Bivariate correlation coefficient was used to compute the correlation between the dependent variable the factors affecting and the independent variables employee job satisfaction. According to Sekaran (2008), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari, 2013).

The results generally indicate that transformational leadership styles and organizational performance were found to have positive significant correlations on at 5% level of significance ($r=.533$, $p<.05$). There was a weak positive but insignificant transactional leadership styles with organizational performance correlation ($r = 0. .437$, $P < 0.05$).

THE MAJOR FINDINGS OF THE STUDY

There are several findings that have been attained in this study in which its general objective was “the role of leadership styles on organizational performance at some selected companies in Mogadishu” the respondents agreed collectively in

that statement due the result generated their responses.

The first objective of this study was to ascertain the role of transformational leadership styles on organizational performance and data analysis and results revealed the following findings under this objective.

The result of analysis showed the relationship between transformational leadership styles on organizational performance is highly agreed by the respondents and the study found that mean (2.41) and standard deviation 1.15 which indicates that the relationship of leadership styles on organizational performance was very good. Moreover, its Pearson Correlation indicates positive correlation ($r=0.533$, $P<0.05$)

The second objective of the study determines the relationship between transactional leadership styles on organizational performance of an organization, the respondents were asked questions related how the transactional leadership styles on organizational performance and their responses were positive way (mean 4.61). Moreover, its Pearson Correlation indicates positive correlation ($r=0.437$, $P<0.05$)

CONCLUSION

This study was examining the role of employee benefits on organizational performance of some selected organization in Mogadishu. The target population of this study was 250 and sample size was 75 contains employees and management; the instrument used in this study was questionnaire.

The study was conducted through a descriptive design; the objective of the study to ascertain the role of leadership styles on Organizational performance, the results generally indicate that transformational leadership styles and organizational performance were found to have positive significant correlations on at 5% level of significance ($r=0.533$, $p<0.05$). There was a weak positive but insignificant transactional leadership styles with organizational performance correlation ($r = 0.437$, $P < 0.05$).

RECOMMENDATION

The study recommends that organizations should continue providing leadership styles to their employees since it was help them create sense of loyalty and encourage their productivity in the organization.

Finally, the study recommends that Mogadishu organizations need to improvise leadership, this was motivating employees thus enhancing organizational productivity.

- ❖ Although it is rare among organizations to offer leadership styles to the employees, it is advantageous for all when the human resources are empowered through giving them confidence
- ❖ Institutions workers think big, work hard, and produce suitable preferable activities

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