

Transformational Leadership Effect on Organizational Performance in Ethiopia's Public Sector: Systematic Literature Review

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Abstract

The knowledge of constructivism in the style of transformational leadership as it pertains to organizational performance was thoroughly reviewed to produce the current study. It studies the function of transforming leadership and investigates a number of problems that may arise in organizations under such circumstances. A systematic review and subsequent thematic content analysis of the literature, including findings from existing literature and research papers that have been published, is used to establish the theoretical underpinnings. They were thoroughly reviewed, and the best materials that matched them were then carefully picked out and included in order to achieve a conclusion. The outcome highlights the need for managers to use a transformational leadership style to put into practice cutting-edge tactics for employee empowerment so they can navigate the environment of rapid change and perform to their full potential. A conceptual qualitative framework based on PRISMA was constructed and advised for functionalism of personalized transformational leadership style to involve stakeholders in amicably avoiding recalcitrance. Forest Plot and Funnel Plot were used to check the combined effect size and publication bias. This strategy can assist transformational leadership managers in identifying opportunities during this crisis and assisting them in drawing important conclusions about how to address problems and foster a healthy culture. This paradigm can assist a transformational leader in managing stakeholders' expectations and benefit both academics and practitioners by working collaboratively to solve anticipated challenges. Limitations include bias risks such as selective result reporting, inadequate blinding, attrition bias, and selection bias. Research novelty was a fresh idea that might provide new knowledge or add to the body of knowledge currently in existence.

Keywords: Functionalism, organization performance, transformational leadership style

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Introduction

The goal of advancing global trade through connectivity and leadership development has hastened economic globalization in recent years (Aman, S., & Umer, M. (2022). This growth has also generated increasing domestic and global market competitiveness, which has further pushed business owners to recruit and retain highly trained workers (Zeb et. al., 2023). Many firms rely on their employees to maintain a competitive advantage in the market (Purwanto et al., 2021). They are therefore directly related to how well they control and employ their transformational leadership (Khan et. al., 2018, Wakjira et. al., 2023). A few of the responsibilities that fall under the purview of the transformational leadership style are employee benefits administration and leadership planning (Amoako-Asiedu & Obuobisa-Darko, 2017). A few of the responsibilities that fall under the purview of the transformational leadership style are providing transformative leadership (Belrhiti et. al., 2020). It consists of transformational leadership practices and guidelines designed to boost productivity, employee engagement, and organizational performance (Asefa & Kant, 2022; Khan et. al., 2018).

Managers can create plans and hire qualified staff while also helping people discover fulfilling jobs with possibilities for career progression through effective transformational leadership (Alade, 2022). The major objective of transformational leadership is to raise employee and organizational performance by investing in HR. To ensure that the right number of people with the necessary skills are available when needed, the transformational leadership style requires undertaking a systematic analysis of transformational leadership requirements (Chukuigwe, 2022).). Determine the number of employees an organization has, their types, how to use their resources, and how to retain and grow their workforce by using transformational leadership techniques (Endedlu, 2022). A company's level of performance might have an impact on its productivity (Adula & Kant, 2022). As a result, productivity is the rate at which work is produced, along with the degree of success and outcome, all of which directly affect profitability and turnover (Karanakaran & Temam, 2022).

This study investigates the potential literature review of the effect of transformational leadership style on organizational performance in a thorough way. Management makes control possible, allowing for the comparison of contractual results with performance standards and, if necessary, the implementation of corrective action. The final component of a transformational leadership style is staffing, which includes determining, acquiring, and allocating additional resources in addition to employing the appropriate number of qualified personnel for a company (Kembo et. al., 2021). Coordinating the operations transformational leadership within an organization, employee commitment also improves (Negeri et. al., 2023).

Statement of the Problem

One of the most critical problems businesses throughout the world are today facing is the acute absence of best-fit leadership (Asefa & Kant, 2022). The problem of a lack of leadership can be attributed to a number of factors, including colonial administrative procedures that provided

the native populace with greater opportunity to thrive (Kembo et. al., 2021). Some of the problems the designers of transformative leadership identified in older work include the following: High management consistently diverts funds meant for the organization's efficient administration into their own profit (Adula& Kant, 2022).

The rate of worker turnover is increasing as a result of ineffective leadership in public institutions and a curriculum that is unrelated to economic demands (Karunakaran & Temam, 2022, Gobena & Kant, 2022). One problem affecting commercial businesses is the dearth of transformative leaders as a result of poor management (Kant & Tufa, 2022; Alade, 2022). A company's workforce, which consists of the individuals that enable productivity, must be well-planned in order for transformational leaders to be effective leaders (Amoako-Asiedu & Obuobisa-Darko, 2017; Kant & Asefa, 2022). According to Kembo et. al., (2021), one of the main ways transformative leaders generate profits is through an expensive and time-consuming hiring process. According to Kant and Adula (2022), selecting the right employees enables a business to maximize its resources, enhances overall performance, and reduces training and development costs.

Objectives:

- To cover the possible literature review of Transformational leadership on Organizational Performance in a systematic way.
- To Meta analyze the possible literature review of transformational leadership on Organizational Performance with PRISMA.

Methodology

To achieve the aforementioned goals, a systematic review of the literature based on bibliographical citations and literature of previously published work has been conducted. The PRISMA technique was used to carry out the search strategy. Relevant bibliographic citations were acquired for this search from works by respected publishers including Sage, Taylor & Francis (Routledge), Springer, and others.

Results

The flow diagram, which is also known as a flowchart or flow chart, is often the first graphic in your systematic review's results section. The reviewers' procedure for locating published data on the subject and how they choose whether they will include it in their review is visually represented in a PRISMA flow diagram (Kant et. al., 2023). The PRISMA flow diagram's 4 stages

- I. The flow diagram breaks the task down into 4 stages:
- II. Choosing the papers to be reviewed
- III. Reading and evaluating the articles
- IV. Deciding if the investigations are eligible

Researchers conduct the searches they devised in the abstract and citation databases you chose in the first stage (e.g., Google Scholar, Scopus). Keep track of how many results the search produced. The entries you found in other places, such as Google Scholar or the reference lists of pertinent papers, were also added by researchers. Each database provides unique instructions on how to look for relevant keywords and how to combine them for a successful search. This indicates that the search method used by the researchers varied slightly among databases (Adula et. al., 2023). Archives, Sage Publications, Search EBSCO, Google Scholar, ResearchGate, and Academia.edu (full text and abstracts). The National Digital Library of India, the American Library, the British Council Library, and Amazon were also searched, in addition to their own online catalogs. A Google Scholar electronic search turned up grey works of literature, including

published documents. Moreover, websites, white papers, and newspapers were looked into. The references from relevant articles were used in other searches, which led to a snowball effect. The search and inclusion approach and the PRISMA method are used in the PRISMA diagram to indicate the standards for document inclusion and research shortlisting.

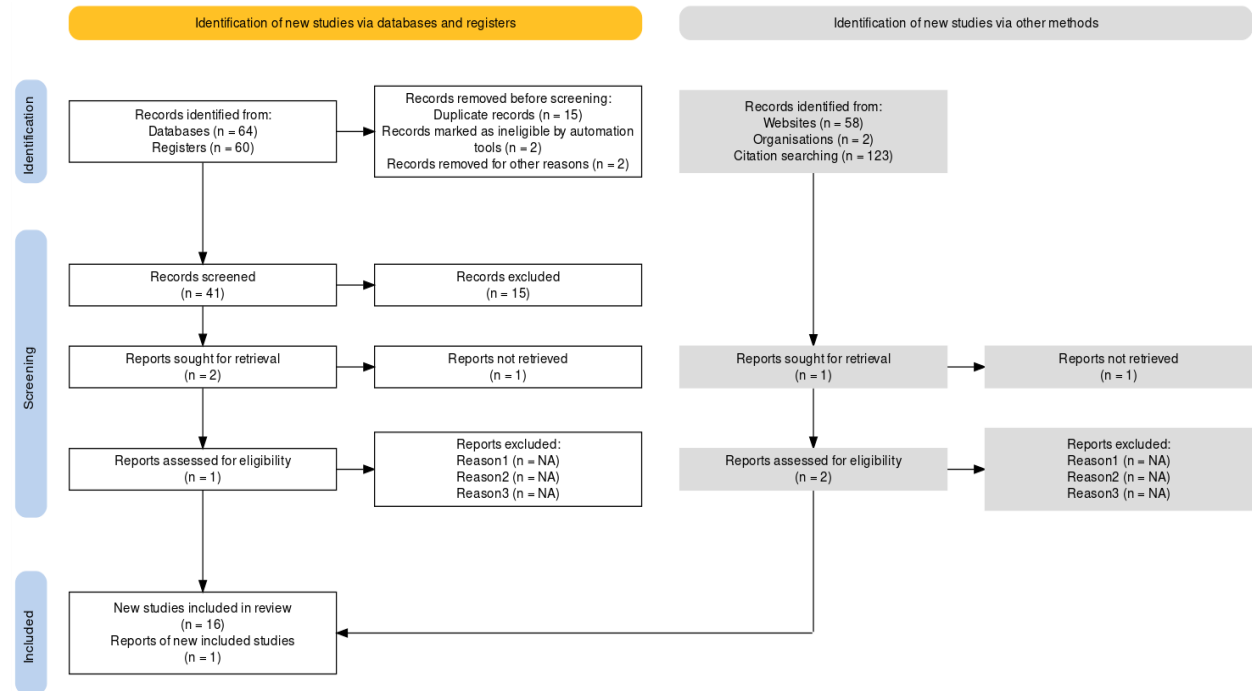


Figure 1: PRISMA flow chart

The reporting quality of a systematic review is anticipated to improve with the use of checklists like PRISMA, which also significantly increases transparency in the selection of publications for a systematic review. Many publications have published the PRISMA Declaration. In their instructions to writers, several publications that publish research on transformational leadership make reference to PRISMA, and some of them even demand that authors follow it. The PRISMA Group suggested that PRISMA should take the place of QUOROM for journals that have previously endorsed it. Current evaluations of the extent to which the PRISMA Declaration has been incorporated into top transformation leadership journals' instructions to authors. The PRISMA Declaration was mentioned in the directions to writers in a sample of 146 publications that publish systematic reviews.

The PRISMA Statement was mentioned in the directions to writers for 27% of the 146 systematic review journals that made up the sample; it was mentioned more frequently in general and transformation leadership articles (50%) than in specialized transformation leadership articles (25%). These findings demonstrated that, despite considerable progress over time, journals' adoption of PRISMA principles is still insufficient. Finally, 17 articles were used by the researchers for this study.

Table 1. Systematic literature review on transformational leadership

Author(s)	Objectives of the study	Methodology	Research Findings	Limitation/Research Gap

Aman & Umer (2022)	To know the relationship between organizational commitment and perceived leadership style among public servants	The study relies heavily on quantitative tools to achieve its goals. To test the research hypotheses, data were collected via an online survey.	Positive relationship exists between commitment to one's organization leaders styles. Motivation as a mediator did not show the correlation between 'transformational leadership' and one's commitment to the organization.	This document also focuses on how important it is to teach public managers how to build a work climate that supports high levels of dedication. If they are not addressed, they will have a negative impact on the recruitment and training of public officials. Transformational leadership norms should be used to public managers.
Purwanto et. al. (2020)	This study aims to analyze the effect of transformational and transactional leadership styles on the performance of the Health Center or Puskesmas in Pati, Central Java.	The research respondents were employees and staff at 120 people and the method of data collection was by giving an electronic questionnaire to respondents who were distributed randomly	Transformational leadership style has a positive and strongly significant effect on employee performance.	The sample does not represent the target population, and the number of samples used is inadequate. the object of this study is only at the health center. Data analysis in this study uses Structural Equation Model (SEM) and the results will be more valid if they also use Key Performance from work performance.
Tigist (2021)	influence of leadership styles (transactional and transformational) on organizational performance in Ethiopia.	A descriptive statistical technique was used for data analysis.	transformational leadership style is the most influential style on organizational performance followed by laissez-faire leadership styles	As only eight departments were partaken in this study, future researchers could enlarge the number of zonal departments.
Zeb et al., (2022).	This research explores the impact of leadership styles on employee performance in the health sector of Pakistan.	A regression research design was used in this study. The present research is of quantitative nature.	The results of this study also explored that the impact of transactional leadership was not much stronger as compared to transformational leadership on job performance.	Convenience sampling was used in this study and this is another limitation of this study as the results can only be generalized to a wider population with a degree of caution.

Khan et al., (2018) .	Transformational leadership, corporate social responsibility, organizational innovation, and organizational performance: Symmetrical and asymmetrical	The study employed a quantitative method approach with questionnaires as the instruments for data collection	Significance of transformational leadership for enhancing financial performance through advancing organizational innovation and CSR.	Future examinations ought to give careful consideration to the impact of various combinations besides transformational leadership and CSR and their effects on innovation and performance.
Amoako-Asiedu & Obuobisa-Darko (2017)	To examine the mediating effects of organizational commitment to leadership styles and subordinate job performance.	A Structural Equation Modeling Analysis was used	The results further revealed that transformational leadership sets the center stage for managerial circumstances to foster the growth of state-owned enterprises.	the study focuses on only state-owned enterprises in Ghana.the study was cross-sectional, which may not necessarily reflect the causal relationship
Belrhiti et. al. (2020)	Exploring the underlying mechanisms and contextual conditions by which leadership may influence 'public service motivation' of health providers.	Embedded case study design.	Transformational leadership can enhance the extrinsic motivation of staff by reducing role ambiguity and job pressure, increases perceived organizational support.	It focused only on public sectors
Alade (2022)	Organizational behavior and performance in some selected organizations in Nigeria	Survey design, and the analysis is based on primary data generated through a structured questionnaire which was administered on respondents.	Leaders with democratic and transformative characters account for more difference in performance than both autocratic and laissez faire.	It focused only on three types of leadership styles transformational, Autocratic and laissez faire)
Chukuigwe (2022)	The study focuses on leadership	Qualitative research was used	Situational factors affect the style of leadership in an	Appropriate leadership styles were not identified

	style and organizational performance.		organization; transformational form of leadership is the most appropriate and suitable for business organization.	
Endedlu (2022).	To know The impact of leadership style on organizational performance at the cooperative bank of Oromia was investigated in the study.	Quantitative research approach and, explanatory research design were used.	mean score of leadership style, transformational, autocratic and democratic was tended to agreement level. All independent variables have significant correlation with the dependent variable.	It only focused on private banks.
Karunakara n& Temam (2022)	To know Effects of leadership styles on the performance and job satisfaction of employees' in public sectors in Southern Ethiopia	Both descriptive and inferential statistics were used for data analysis	Transformational leadership was the predominant leadership style found among the leaders. The results of regression analysis showed that democratic leadership style had a statistically significant positive effect on employees' job satisfaction and performance	The study used only quantitative research design
Kembo (2021)	The purpose of this study was to investigate empirically the influence of principals' leadership styles on the organizational performance of primary teachers training	The study employed a quantitative method approach with questionnaires as the instruments for data collection	Both Laissez faire and autocratic leadership styles were less exhibited by principals of PTTCs in Lake Victoria Region of Kenya. Laissez faire leadership style was least exhibited. Revealed that both Laissez faire and	Only quantitative research design was applied

	colleges in Lake Victoria Region of Kenya.		autocratic leadership negatively influenced the performance.	
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Discussion

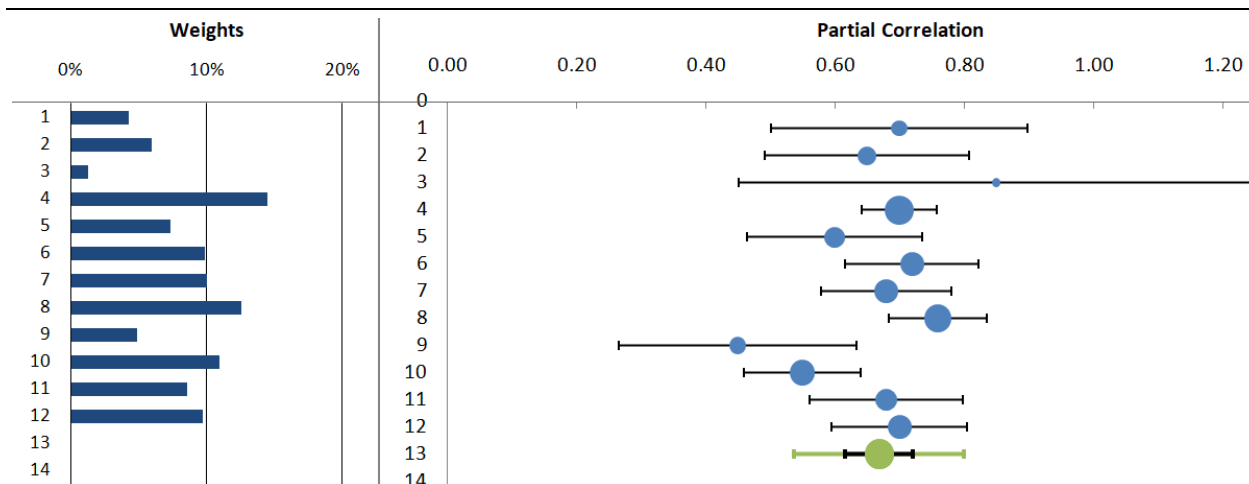
Meta-analysis: Forest Plot

A forest plot, also known as a blobbogram, is a graphical depiction of the estimated results from several scientific investigations that address the same topic, as well as the overall results. The forest plot below was created by compiling all relevant studies on transformational leadership that cover the same topic, identifying a common statistic among them, and presenting it on a single set of axes. By doing this, you can instantly compare the results of the research and their quality in one place. It signifies that the null result is contained within the 95% confidence interval when the vertical line of the study crosses it. This implies that the study's conclusion represents the null value and that there was no statistically significant difference.

Table 2. Effect size

Study name	Partial Correlation	CI Lower limit	CI Upper limit	Weight
Aman & Umer (2022)	0.70	0.50	0.90	4.31%
Purwanto et al. (2020)	0.65	0.49	0.81	5.96%
Tigist (2021)	0.85	0.45	1.25	1.30%
Zeb et al., (2022).	0.70	0.64	0.76	14.48%
Khan et. al. 2018	0.60	0.46	0.74	7.33%
Amoako-Asiedu & Obuobisa-Darko (2017)	0.72	0.62	0.82	9.86%
Belrhiti et. al. (2020)	0.68	0.58	0.78	10.07%
Alade (2022)	0.76	0.68	0.84	12.57%
Chukuigwe (2022)	0.45	0.27	0.63	4.88%
Endedlu (2022).	0.55	0.46	0.64	10.97%
Karunakaran & Temam (2022)	0.68	0.56	0.80	8.55%
Kembo et. al. (2021)	0.70	0.60	0.80	9.74%

Source: Meta Essentials, 2023

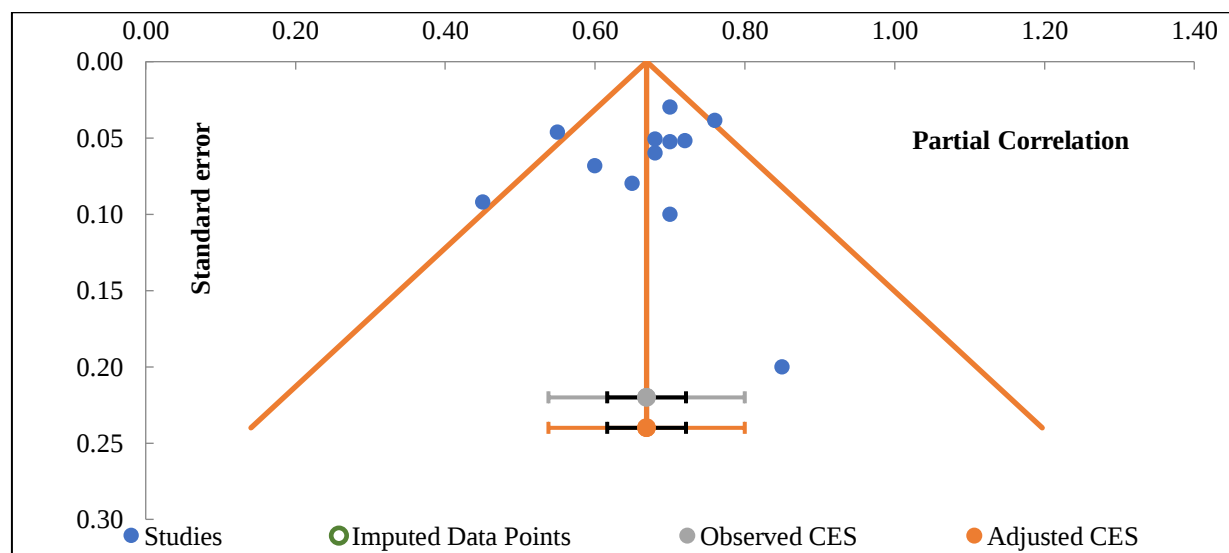


Source: Meta Essential, 2023

Figure 2. Forest plot

Funnel Plot for Systematic Literature Review

The researchers utilized a funnel plot to check a systematic review for publication bias, systematic heterogeneity, and other biases in reporting. These biases result from either the selective reporting of research findings or the omission of data from unpublished sources.



Source: Meta Essential, 2023

Figure 3. Funnel plot

A funnel plot is used to look for systematic heterogeneity, other reporting biases, and publication bias in a systematic review. These biases result from either the selective reporting of research findings or the omission of data from unpublished sources (missing studies) (missing outcomes). A summary effect estimate [1.96 standard error] and a summary effect [estimate + (1.96 standard error)] were shown for each standard error on the vertical axis in the 95% confidence intervals around the summary treatment effect. The Figure 3 funnel plot, for example, was essentially a representation of the research effect's magnitude in relation to its precision. The effect size is often stated as a mean difference or standardized difference for continuous data and as a relative for dichotomous or event-like data. On the plot in figure 3, idealized dispersion due

to sample variance should look like a pyramid or an upside-down funnel. Figure 3's funnel plot shows the wide variety of standard errors for the research that were taken into consideration for the log scale. If the standard errors were the same size, the studies would all lay on a horizontal line.

Conclusion

This review examined the trends in studies on the topic over the last four years to ascertain how comments on writing about transformational leadership has changed and is currently developing. The research we've looked at indicates that evaluative commentary is a crucial and typical practise in transformational leadership in today's organisations. It is also clear from this that there are many different aspects of transformational leadership studies, and these are continuously being explored and researched for the greatest good of scholars in the area as well as society at large. Yet, the debate regarding corrective vs. evaluative literature reviews in transformational leadership continues, as shown by the evaluated research and the writing on the topic. Since it focuses on motivating academics to write more effectively, this topic of research in transformational leadership is significant. It is critical to support researchers in becoming better writers and in understanding the need of developing as independent writers in today's society, where research resources are decreasing and the liberal arts are losing patronage.

Conflict of Interest

No conflict of interest

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