Behaviors of Transformational Leadership in Promoting Good Governance at the Palestinian Public Sector

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**ABSTRACT**

Good governance is considered one of the significant requirements for development and competency in the public-sector organisations. However, according to the Worldwide Governance Report, the state of Palestine has been experiencing a poor quality of governance. The motivation behind this study is to seek a more in-depth understanding of determining the role of transformational leadership in promoting the principles of good governance in the Palestinian public sector. This study employed total population sampling with data collected from 342 general managers in the government sector in Gaza strip. Partial least square of structural equation modelling was used for data analyses. Findings of the study revealed a positive and significant relationship between all transformational leadership behaviours and good governance except for inspirational motivation. Also, the findings confirmed that governments, by practising transformational leadership, that, in turn, results in promoting good governance. The current study has contributed to literature by introducing new empirical evidence in organisational studies of the role of transformational leadership behaviours in improving good governance especially in developing countries such as Palestine. Therefore, this study suggests that it is advisable for public organisations to invest in transformational leadership training and encourage all behaviors to improve the level of good governance.

**Keywords:** Transformational leadership, Good governance, Public sector, Palestine

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Good governance is a buzzword that has interested both citizens and officials in the last decade (Ara & Khan, 2006; Uddin & Villadsen, 2010). It is considered a significant precondition for the performance and development of a country. Moreover, as far as it is necessary and possible, shifts in government improvement and development policies have become one of the most
critical issues sweeping public attention in the 21st century (Fukuyama, 2013). However, there are challenges to achieving good governance, particularly in developing countries (Boonleang, 2014).

Despite the growing interest in the good governance topics, there is a lack of studies that examine good governance in the context of individual, as the concept of good governance itself has been widely illustrated in the context of organization (Mohamad, Daud, & Yahya, 2014). This study aims to determine the priorities of good governance principles in the context of individual, which makes this research more realistic and consistent with the conditions of the area of study. In this regard, the authors conducted a focus group to take a range of expert viewpoints from governmental officials, academics, and civil society in Gaza Strip institutions. Twenty participants including ministers, parliamentarians, and senior employees in the public and private sector in Palestine participated in this study. This approach helped the authors in identifying the principles of good governance which relate to the scope of the study. The outcomes of the focus group revealed that the construct of good governance consists of five principles; effectiveness roles, promote value, accountability, transparency, and capacity building.

One of the main factors that influence good governance is the role of leadership. Leaders motivate individuals to achieve their targeted goals (Northouse, 2015). To date, leading academics and several studies do not agree on which style of leadership can be successful in a specific situation (Ladkin, 2010; Lord & Dinh, 2014). Syed et al. (2012) found that the concept of leadership is not well understood in developing countries. A lot of basic characteristics that are essential for effective leadership in the public sector are still absent. Recently, it seems that leaders face other challenges, citizens have rapidly viewed the activities of public sector leaders through increasing levels of public awareness and the widespread of social media (Ceron, Curini, Iacus, & Porro, 2014; Madge, Meek, Wellens, & Hooley, 2009).

Understanding leader behaviors, particularly in the public sector, is a critical and vital issue. In fact, public-sector leaders present an essential role towards achieving high levels of good governance elements (Atkins, 2008; Masud, 2013). On the one hand, despite having some general thoughts on relying on bureaucracy in the government sectors, some researchers found that improvement in organisations depends first and foremost on leadership type and behaviour (Islam, 2010). On the other hand, scholars found that transformational leadership is at least as common and useful in the public sector (Dum dum, Lowe, & Avolio, 2002; Wright & Pandey, 2009). There is a growing emphasis on the practice of transformational leadership as a way to understand how leaders play a significant role in building organisations, and influencing the elements of good governance (Masud, 2013; Mohamad et al., 2014). This study aims to investigate the influence of transformational leadership and its behaviours (4I's) on good governance in the public sector in Gaza Strip. It aims to provide empirical evidence to establish the link between transformational leadership and good governance in the public sector in Gaza Strip by examining the role, influence, and practices of transformational leadership among general managers in public-sector organisations.

**Transformational Leadership**

The term Transformational Leadership was first presented by Downton (1973), followed by Burns (1978), who focused on transformational and transactional leadership at the political
level. Since the early 1980s, transformational leadership has become one of the most popular styles of leadership and has attracted researchers’ attention. Bass and Avolio (1994) pointed out that transformational leadership has classified by four factors namely the “Four I’s”: (idealised influence, intellectual stimulation, inspirational motivation, and individualised consideration). The first factor is "Idealised Influence" (known as charismatic) which perceived as being a role model to the employees. Second is "Intellectual Stimulation" which encourages the followers to participate, perform, think out of the box in problem-solving, and 'go the extra mile’ to complete the mission (Ananthan, 2014; Kreitner & Kinicki, 2007). The third is "Inspirational Motivation" which represents the level of motivation that the leaders should have to inspire employees inside the organization. This degree of influence contributes to formulating a shared vision of the future between employees and their leaders (Ananthan, 2014). The fourth factor is "Individualised Consideration" which relates to support training, encouragement, empowerment, development, and individual’s wants and wishes (Bass, Avolio, Jung, & Berson, 2003; Kreitner & Kinicki, 2007). Table 1 presents the main descriptions of each transformational leadership behavior.

Table 1
Transformational Leadership Behaviors (4I’s)

<table>
<thead>
<tr>
<th>Behavior</th>
<th>Main descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idealised Influence</td>
<td>- Known as charismatic, leaders behave shows as being a role model to the employees.</td>
</tr>
<tr>
<td></td>
<td>- Leaders are admired, trusted and respected.</td>
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<tr>
<td></td>
<td>- Followers want to emulate and imitate leaders.</td>
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<tr>
<td></td>
<td>- Leaders are perceived by their employees as having extraordinary abilities and skills.</td>
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<td></td>
<td>- Leaders are willing to take risks and do the right thing, which indicates high standards of moral and ethical behaviour.</td>
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<td></td>
<td>- Leaders make individual sacrifices for others' interest and benefit.</td>
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<tr>
<td>Intellectual Stimulation</td>
<td>- Leaders encourage followers to participate, being active, accept challenges, and non-traditional thinking to deal with problems and going the extra mile to complete the mission.</td>
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<tr>
<td></td>
<td>- Leaders encourage their followers to be creative and innovative in trying new approaches instead of old situations. Followers involved in the process of addressing problems and identifying solutions.</td>
</tr>
<tr>
<td></td>
<td>- Leaders thoughtful suggestions and create an atmosphere that gives meaning to the followers and increases feelings of self-confidence.</td>
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<tr>
<td></td>
<td>- Stimulate followers to look at problems from different sides.</td>
</tr>
<tr>
<td></td>
<td>- Rethinking about new ideas which have never been investigated and examined before.</td>
</tr>
<tr>
<td>Inspirational Motivation</td>
<td>- Leaders motivate and inspire followers to achieve their work.</td>
</tr>
<tr>
<td></td>
<td>- Focus on team spirit and express confidence that goals will be achieved.</td>
</tr>
<tr>
<td></td>
<td>- Leaders demonstrate conditions of enthusiasm and optimism about the future.</td>
</tr>
<tr>
<td></td>
<td>- Leaders demonstrate the shared vision and organisation goals.</td>
</tr>
<tr>
<td></td>
<td>- Leaders meet followers' expectations and needs.</td>
</tr>
<tr>
<td>Individualized Consideration</td>
<td>- Supportive climate, create new learning opportunities, recognise individual differences in needs and desires, encourage two-way exchange in communication, and manage followers by walking around.</td>
</tr>
<tr>
<td></td>
<td>- A leader listens efficiently and tries to develop followers continuously. In return, followers give feedback on their performance.</td>
</tr>
<tr>
<td></td>
<td>- Leaders support success and achievement by providing resources, allowing followers to take responsibility.</td>
</tr>
<tr>
<td></td>
<td>- Followers feel more involved in problem-solving, being a part of the organisation.</td>
</tr>
</tbody>
</table>

Transfomerational Leadership in the Public Sector
The nature of public sector is complex and enormous. It is complex in the sense that although the government is doing many activities in the public sector, there is little satisfaction from the public (Ojala, 2013). Also, it is enormous in the sense that decisions in the public sector have a significant impact on all components of society and other main sectors, such as private sector
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(businesses) and civil society (NGOs, community groups). As a consequence, many challenges may limit success in the public sector. Also, leaders with specific features could create balance in the public-sector system; they can create a shared vision of the future, articulate an ideology that reflects employee values, clarify meaningful goals, and authorize employees in organizations (Paarlberg & Lavigna, 2010). These features and others mentioned in this paper are available in transformational leaders.

Groenewald and Ashfield (2008) stated that transformational leaders could reduce the influence of uncertainty, raise the performance of employee up to an acceptable standard, and achieve the goals of employees and organizations. Vera and Crossan (2004) add some characteristic of transformational leaders in the public sector such as help employees to unlearn past routines and support creative solutions to complex problems. The study of Mokgolo, Mokgolo, and Modiba (2012) showed that transformational leaders reduce conflict in organizations and improve productivity and outcomes in the public sector. Additionally, growing body of evidence that recognized the importance of transformational leadership in the public sector (Van Slyke & Alexander, 2006; Wright & Pandey, 2009). According to (Dumdum et al., 2002), transformational leadership behaviors are at least as common and useful as a bureaucratic mechanism in public organizations.

Good Governance

The criteria of good governance for international development organizations tend to be non-specific and largely ambitious, as it rarely takes into account specific conditions for each developing country (Grindle, 2004; Jabeen, 2007). As a consequence, Grindle (2004) identified a new notion for this issue and added to the library of social sciences the term "Good Enough Governance". The Department for International Development in London DFID (2007) reported that steps towards development do not take place without ‘good’, or at least ‘good enough’ governance. Thus, it is essential for governments to identify elements of good governance in daily work practices, to understand how these elements can be established, and to be aware of the identification of proper factors that affect good governance (McLellan, 2009). Notably, this study highlights a discourse on the principles of good governance in the public sector of the Gaza Strip, which is a developing country and a conflict region.

The Worldwide Governance Report (2017) revealed that the state of Palestine experienced poor quality governance, and its rank (ranges from 0 (lowest) to 100 (highest)) in Voice and accountability was 16, while Political stability gave it a low rank of 5. Whereas the Government effectiveness ranking was 29, Regulatory quality scored 55, the rank of the rule of law was 43, and Control of corruption was 52. Jabeen (2007) noted that human development and good governance go hand in hand. The Human Development Report (2016) demonstrates the Human Development Index (HDI) of 188 countries. For the state of Palestine, the HDI value in 2015 was 0.684, which is classified in the medium human development group and is ranked 107 out of 187 countries.

Good governance raises questions about three main fields "what needs to be done, when it needs to be done, and how it needs to be done" (Grindle, 2004). Therefore, if more focusing on these questions, “good enough governance” becomes a more realistic aim for many developing countries. It implies understanding urgent needs, manages the priorities and evolution of the
government. As a conclusion, assessing the specific situation of each country plays a sensitive role in translating efforts of the human resources into the promoting of good governance.

In this study, the applicable definition of good governance in the context of the individual is the characteristics of the exercise of authority by empowered general managers’ transformational leaders in the government. Those managers practice the principles of good governance in their daily work; such as being transparent in interpersonal communication, accountable for any action taken within the organization, working efficiently both as individuals and as a team, efficient in doing the tasks that fulfills the ministry’s vision, promote values among their employees, behave with Integrity, and understand their role.

**Method**

**Purpose and Hypotheses of the Study**

This paper focuses on highlighting the importance of the influence of transformational leadership and its behaviours (4I’s) on good governance in the public sector in Gaza Strip. It aims to provide empirical evidence to establish the link between transformational leadership and good governance in the public sector in Gaza Strip by examining the role, influence, and practices of transformational leadership among general managers in the public-sector organizations.

Outcomes in organizations are associated with specific dimensions of transformational leadership (Dionne, Yammarino, Atwater, & Spangler, 2004) where the behaviour of leaders may increase understanding of the influence of transformational leadership on the teamwork processes and performance. For instance, studies demonstrated that there is a direct effect of idealised influence and inspirational motivation on individual performance (Bass & Avolio, 1994; Densten, 2002). Previous studies found direct effects of transformational leadership (general factor) on the element of good governance such as performance (Dionne et al., 2004) and organizational commitment (Rai & Sinha, 2000), democratic values (Denhardt & Campbell, 2006), and employees satisfaction with the leader (Shibru & Darshan, 2011). No empirical effort to specifically link the dimensions of transformational leadership to good governance as a general factor (Dionne et al., 2004; Wong, Wei, & Tjosvold, 2014). Therefore, the present study examines this factor to show an essential dimension of transformational leadership influences promoting good governance. Thus, the developed hypotheses for this relationship are:

- **H1:** There is a positive and significant relationship between idealised influence and good governance in the public sector in Gaza Strip.
- **H2:** There is a positive and significant relationship between intellectual stimulation and good governance in the public sector in Gaza Strip.
- **H3:** There is a positive and significant relationship between inspirational motivation and good governance in the public sector in Gaza Strip.
- **H4:** There is a positive and significant relationship between individualised consideration and good governance in the public sector in Gaza Strip.
Data Collection and Measurement Development

For the purpose of this study, the researchers adopted a quantitative methodology. This study employed total population sampling as a purposive sampling method along with a cross-sectional design with data collected from 342 general managers in the government sector in the Gaza Strip. SmartPLS 3.0 last version was employed in this study, which enabled the researchers to test and estimate the relationships among variables with multiple measurement items. The research covers a total of 342 respondents out of 358 general managers working in the government in Gaza Strip, yielding a response rate of 95%.

The measurement tool of the study (i.e., questionnaire) was developed by a comprehensive review of the previous literature and modified to suit the study case context. The structure of the questionnaire is divided into two parts, where respondents were asked to indicate their agreement or disagreement for each statement based on a five-point Likert scale. All the questions in the first part (i.e. transformational leadership) adopted from the existing questionnaire that already has been tested for reliability and validity. While the questions in the second part (good governance) adapted from the existing questionnaire that already has been tested for reliability and validity, adapting based on the outcomes of the focus group that conducted by the researchers. More details regarding the questionnaire stated as follows:

First part: "Transformational Leadership" Short-form Multifactor Leadership Questionnaire (MLQ-5X) by Bass and Avolio (1995). Twenty questions from the MLQ 5X Short Form used in the current study to measure four dimensions of the transformational leadership. The (MLQ-5X) is the standard instrument for assessing transformational leadership. It has been used successfully by many researchers around the world. The instrument of MLQ-5X is available from Mind Garden. To use the MLQ for this study, the researchers were contacted with Mind Garden, Inc. to purchase and license reproduction of these forms and take permission to use it (see the Appendix).

Second part: "Good Governance": based on the principles set out in the National Council for Voluntary Organizations’ Good Governance code (Leather, 2010). The purpose of this part is to enable general managers in the Palestinian public sector to assess how well their peers are working on achieving the five principles that contribute to promoting good governance. The five principles were applied in this study are Effectiveness of the roles, Promotion of values, Transparency, Capacity building, and Accountability. This scale comprised of 24 questions grouped into five principles, these principles referred to “good governance”. In this research,
the scale was modified to be fit for the Palestinian public sector, this modification was based on the results of the focus group conducted by the researchers.

Results
Descriptive Statistics
Table 2 represents the results of the descriptive statistics of the study variables; it presents the values of the mean for each behavior of transformational leadership, as well as good governance. The results were analyzed through SPSS 22.0. These results related to the level of practise the behaviours of the general managers in the Palestinian public sector.

Table 2
Descriptive Statistics

<table>
<thead>
<tr>
<th>Construct</th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Variables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Idealized Influence</td>
<td>342</td>
<td>2.50</td>
<td>5.00</td>
<td>4.33</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>342</td>
<td>1.25</td>
<td>5.00</td>
<td>4.06</td>
</tr>
<tr>
<td>Inspirational Motivation</td>
<td>342</td>
<td>1.50</td>
<td>5.00</td>
<td>3.97</td>
</tr>
<tr>
<td>Individualized Consideration</td>
<td>342</td>
<td>1.75</td>
<td>5.00</td>
<td>3.96</td>
</tr>
<tr>
<td>Dependent Variable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good Governance</td>
<td>342</td>
<td>1.10</td>
<td>5.00</td>
<td>3.68</td>
</tr>
</tbody>
</table>

The descriptive results of the study showed that the mean of all variables is ranging from the value from 3.68 to 4.33. The findings revealed that these general managers in varying proportions exhibited all dimensions of transformational leadership. Concerning each practice, the idealised influence emerged as the main transformational dimension exhibited by these general managers since the highest mean score is on the idealised influence dimension (M = 4.33). This is followed by intellectual stimulation dimension (M = 4.06). Next is the inspirational motivation dimension (M = 3.97), and the lowest mean score is on the individualised consideration dimension (M = 3.96). Regarding good governance, the mean value was (3.68). All variables of this study were assessed on five points Likert scale.

Results of Hypotheses Testing for Direct Relationships
Table 3 shows the analysis results for the relationship between transformational leadership (4 I’s) and good governance in the public sector in Gaza Strip. The results of the path coefficient of the structural model and each hypothesis testing according to research objectives are presented as follows.

Table 3
Hypotheses Testing for Direct Relationships

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path relationship</th>
<th>β</th>
<th>t</th>
<th>P</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>II → GG</td>
<td>.17</td>
<td>3.03</td>
<td>.001</td>
<td>***supported</td>
</tr>
<tr>
<td>H2</td>
<td>IS → GG</td>
<td>.33</td>
<td>5.80</td>
<td>.000</td>
<td>***supported</td>
</tr>
<tr>
<td>H3</td>
<td>IM → GG</td>
<td>-.01</td>
<td>0.16</td>
<td>.434</td>
<td>Ns (Rejected)</td>
</tr>
<tr>
<td>H4</td>
<td>IC → GG</td>
<td>.23</td>
<td>3.76</td>
<td>.000</td>
<td>***supported</td>
</tr>
</tbody>
</table>

GG= Good Governance, II= Idealized Influence, IS=Intellectual Stimulation, IC= Individualized Consideration, IM= Inspirational Motivation, Ns= Not Significant

As shown in Table 3, the results revealed that all the hypothesized direct relationships are significant at less than 1% significance level (p < .01), except for inspirational motivation
revealed as non-significant (t = .16, p=.43) which is higher the cut-off ratio. In the same context, as shown in Figure 2, the results indicated that positive and significant relationships exist between idealized influence and good governance (β = .17, t = 3.03, p < .01), intellectual stimulation and good governance (β = .33, t = 5.80, p < .01), and individualized consideration and good governance (β = .23, t = 3.76, p < .01). Hence, hypotheses H1, H2, and H4 were supported and hypothesis H3 was rejected.

Furthermore, as a rule of thumb revealed by Hair, Hult, Ringle, and Sarstedt (2016), the path coefficient values represent the strength of the relationship among constructs according to hypothesized relationships. Thus, the results in Table 3 illustrated that intellectual stimulation has a positive and strongest relationship with good governance (β = .33, p < .01). Then, individualized consideration also has a positive relationship with good governance (β = .23, p < .01). The third one is an idealized influence, which has a positive relationship with good governance (β = .17, p < .01).

**Discussion**

On the one hand, the findings show that most of the general managers perceive that the practice of transformational leadership in the public sector in Palestine is at quite a high level. Moreover, the idealized influence dimension is the most dominant among the four transformational leadership behaviours, because of the critical role is given by this behaviour in influencing the employees within organizations and as a role model will lead to employees’ commitment to achieving the mutual goals.

On the other hand, the motive behind this study is the fact revealed by Kouzes and Posner (2002) who suggested that leadership is not only a position, but a collection of practices and behaviours. Also, the rationale behind the study is to find most significant leadership behaviour associated with good governance in the Palestinian public sector. An interesting finding from the analysis test was that one of the behaviours of transformational leadership which is
inspirational motivation did not influence good governance. While the other three behaviours which are an idealised influence, intellectual stimulation, and individualised consideration were positively and significantly related to good governance.

The current findings add substantially to the understanding that transformational leadership significantly influence good governance among the general managers in the developing countries and the context of Palestinian public sector in particular. Leadership is seen as essential for improving public sector organizations. This is consistent with the studies which found that transformational leadership has a positive effect to the public sector (Dionne et al., 2004; Moynihan, Pandey, & Wright, 2013; Voon, Lo, Ngui, and Ayob, 2011). Furthermore, Dumdum et al. (2002) found that transformational leadership is effective in the public sector as well as in private sector.

These findings are in line with Bumgarner (2016) which stated that transformational leadership has adopted as one of the most productive ways toward supporting a relationship between the leader and employees in the public sector. Moreover, the study of Mohamad et al. (2014) confirmed the links between transformational leadership style and employees’ good governance characteristics which is significant to strengthen the governance of Malaysian local government authorities. Also, Usman (2010) found that leadership has linked to good governance at the university in Indonesia. The study employed leadership behaviours that related to transformational leadership and found that it significantly and positively influences good governance. Another study conducted in Malaysia has revealed that good leadership fosters accountability in local governance institutions (Salleh & Khalid, 2011).

Unexpectedly, the findings revealed that 'inspirational motivation' behaviour does not affect good governance. Hence, this result does not provide support for H3. Moreover, some features related to this dimension should be highlighted to explain the finding. Such as leaders focus on team spirit and express confidence by which goals will be achieved, leaders demonstrate conditions of enthusiasm and optimism about the future, leaders demonstrate the shared vision and organization goals, and leaders meet followers' expectations and needs. Following this particular result, it may be ascribed to the fact that general managers in the Palestinian public sector did not succeed in talking optimistically about the future vision and strategies for success and spoke enthusiastically regarding what needs to be accomplished. This is because of the complicated situation in Gaza and lack of clarity in the future landmarks. This means that general managers fail to express confidence that goals will be achieved. In other words, the findings could be explained by the specific conditions of employees in organizations in Gaza Strip. There is an internal conflict within the public-sector organizations, as the Gaza Strip is suffering from the Palestinian division, which is still ongoing started from ten years ago and has an impact on the internal environment for government task and staff of all levels.

Conclusion
This study highlights a more in-depth understanding of determining the role of transformational leadership behaviours in promoting the principles of good governance in the Palestinian public sector. There may be some other factors that can play an effective role in further promoting good governance and their applicable principles. However, the study fills the research gap of previous studies by focusing on the relationship between transformational
leadership behaviors and good governance among general managers in the Palestinian government. Therefore, it is hoped that the results of this study will be beneficial to all sectors working in Palestine and abroad as well as will encourage the governments to give more attention to the criteria of good governance and the role of leadership in the public sector. This could not happen without establishing a central unit in the government structure be responsible for all issues in this regard.

The findings of this study may also have many implications for practitioners and managers, locally for those who are working in Palestinian public sector along with the other governments abroad. Also, the findings emphasised the importance of transformational leadership behaviors in the government organizations with the purpose of promoting good governance levels. It is helpful to realize that previous studies pointed out that at least some of the transformational leadership behaviors can be trained (Roberts & Thinking, 2008). Likewise, this study suggests that public sector organizations in Palestine should include transformational leadership in programs and training courses in their annual plans. Not only that, governments should consider investing in transformational leadership to support the leadership behaviors to create a strong internal environment that could keep alongside developments and overcome resistance resulting from changes and conflicts.

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