

THE EFFECT OF TRANSFORMATIONAL
LEADERSHIP ON ORGANIZATIONAL
PERFORMANCE THROUGH THE MEDIATING
ROLE OF ORGANIZATIONAL CULTURE
IN HIGHER EDUCATION INSTITUTIONS
IN IRAQ

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UNIVERSITI PENDIDIKAN SULTAN IDRIS

2022

THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON
ORGANIZATIONAL PERFORMANCE THROUGH THE
MEDIATING ROLE OF ORGANIZATIONAL
CULTURE IN HIGHER EDUCATION
INSTITUTIONS IN IRAQ

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THESIS SUBMITTED THE FULFILLMENT OF THE REQUIREMENT FOR
THE DEGREE OF DOCTOR OF PHILOSOPHY

FACULTY OF MANAGEMENT AND ECONOMICS
UNIVERSITI PENDIDIKAN SULTAN IDRIS

2022

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ACKNOWLEDGEMENT

Thanks to ALLAH, the Most Gracious, the Most Merciful, the Most Bountiful who gave me the courage and patience to accomplish this research work. Without His help and mercy, this would not have come into reality.

I am very grateful to my supervisor Dr. Rafiduraida Abdul Rahman for guiding me during my work on this research. I would like to express my sincere thanks and gratitude to her for her continuous guidance, support and patience as well as I would like to deeply express my gratitude to Dr. Wan Salmuni Wan Mustaffa for Her fascinating guidance, encouragement, valuable comments goodness and humanity during my study.

I am also very grateful to my family for giving the unlimited supports and patience to complete my study. I would never ever forget their sacrifice that they have done for me. Their prayers and support provided me with force and determination.

Finally, I extend my sincere thanks to all the management and staff in Universiti Pendidikan Sultan Idris (UPSI) for their valuable and continuous support.



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v

DEDICATION

Dedicated to my beloved family

To the souls of most precious persons in my life: my parents, to my brothers, sisters
and to my sincere wife and my sweetheart beautiful sons and daughter



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ABSTRACT

The aim of this research was to determine the effect of transformational leadership on organizational performance through the mediating role of organizational culture in higher education institutions (HEIs) in Iraq. Transformative leadership was the main theory used in this study. This theory stated that the role of a transformative leader in influence his or her subordinates through motivation, intellectual stimulation, caring, and charismatic role model. Based on the research questions, four main hypotheses were developed and statistically tested, the population ($N = 6,294$) in this study comprised the academic staff. A sample was selected by using stratified random sampling. A sample size ($n = 387$) was determined by using Krejcie and Morgan's table of sample sizes. Data were collected using a questionnaire as an instrument. This research used Structural Equation Modelling (SEM) to test the hypotheses. The findings showed a strong effect between transformational leadership and organizational culture = ($\beta=0.590$, $p<0.05$), followed by an effect between the performance of the organizations and its culture = ($\beta=0.540$, $p<0.05$) and followed by an effect between transformational leadership and organizational performance = ($\beta=0.500$, $p<0.05$). The main finding of this study revealed a significant influence of transformational leadership on organizational performance partially mediated by organizational culture. In conclusion, the findings showed that individual consideration is pertinent for transformative leaders in higher education in Iraq. The key implication of the study is that the model of transformative leadership developed could be used to enhance higher education performance provided that the organizational culture among the staff is nurtured.



KESAN KEPIMPINAN TRANSFORMASI TERHADAP PRESTASI ORGANISASI MELALUI PERANAN MEDIASI ORGANISASI BUDAYA DALAM INSTITUSI PENDIDIKAN TINGGI DI IRAQ

ABSTRAK

Kajian ini bertujuan menentukan kesan kepimpinan transformasi terhadap prestasi organisasi melalui peranan pengantara budaya organisasi di institusi pengajian tinggi (IPT) di Iraq. Kepimpinan transformatif merupakan teori utama yang digunakan dalam kajian ini. Teori ini menyatakan bahawa peranan pemimpin transformatif dalam mempengaruhi orang bawahannya melalui motivasi, rangsangan intelek, penyayang, dan teladan yang berkarisma. Berdasarkan persoalan kajian, empat hipotesis utama telah dibangunkan dan diuji secara statistik, populasi ($N = 6,294$) dalam kajian ini terdiri daripada staf akademik. Satu sampel telah dipilih dengan menggunakan persampelan rawak berstrata. Saiz sampel ($n = 387$) ditentukan dengan menggunakan jadual saiz sampel Krejcie dan Morgan. Data dikumpul menggunakan soal selidik sebagai instrumen. Penyelidikan ini menggunakan Structural Equation Modelling (SEM) untuk menguji hipotesis. Dapatan kajian menunjukkan hubungan yang kukuh antara kepimpinan transformasi dan budaya organisasi = ($\beta=0.590$, $p<0.05$), diikuti dengan hubungan antara prestasi organisasi dan budayanya = ($\beta=0.540$, $p<0.05$) dan diikuti oleh hubungan antara kepimpinan transformasi dan prestasi organisasi = ($\beta=0.500$, $p<0.05$). Penemuan utama dalam kajian ini mendedahkan pengaruh signifikan kepimpinan transformasi terhadap prestasi organisasi yang sebahagiannya dimediasi oleh budaya organisasi. Kesimpulannya, kajian menunjukkan bahawa pertimbangan individu adalah penting untuk pemimpin transformatif dalam pendidikan tinggi di Iraq. Implikasi utama kajian ialah model kepimpinan transformatif yang dibangunkan boleh digunakan untuk meningkatkan prestasi pendidikan tinggi dengan syarat budaya organisasi di kalangan kakitangan dipupuk.

TABLE OF CONTENT

	Page
DECLARATION OF ORIGINAL WORK	ii
DECLARATION OF THESIS	iii
ACKNOWLEDGEMENT	iv
DEDICATION	v
ABSTRACT	vi
ABSTRAK	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xv
LIST OF FIGURES	xvii
LIST OF ABBREVIATIONS	xix
LIST OF APPENDIXES	xxi

CHAPTER 1 INTRODUCTION

1.1	Introduction	1
1.2	Background of the Study	4
1.3	Problem Statement	7
1.4	Objectives of the Study	11
1.5	Research Questions	12
1.6	Research Hypothesis	12
1.7	Conceptual Framework of Research	13
1.8	The Significance of Research	14
1.9	The Scope of Study	15
1.10	Operational Definition	16
1.11	Organization of the Thesis	17

1.12	Chapter Summary	18
------	-----------------	----

CHAPTER 2 LITERATURE REVIEW

2.1	Introduction	19
2.2	Higher Education in Iraq	20
2.2.1	Growth of Higher Education Institutions in Iraq	24
2.2.2	Challenges of Higher Education in Iraq	27
2.3	The Leadership Concept	35
2.3.1	The Importance of Leadership	41
2.3.2	Leadership Theories	42
2.3.2.1	Trait Theory	43
2.3.2.2	Leadership Behavior	44
2.3.2.3	Situational and Contingency Theories	49
2.3.2.4	Transactional and Transformational Theory	52
2.4	Transformational Leadership	58
2.4.1	The Theories of Transformational Leadership	59
2.4.1.1	Path-Goal Leadership Theory	61
2.4.2	The Characteristics of Transformational Leadership	64
2.4.3	Transformational Leadership in Higher Education	65
2.4.4	Dimensions of Transformational Leadership	74
2.4.4.1	Idealized Influence	74
2.4.4.2	Inspirational Motivation	75
2.4.4.3	Intellectual Stimulation	75
2.4.4.4	Individualized Consideration	76
2.5	Organizational Culture	79
2.5.1	Definitions of Organizational Culture	80

2.5.2	The Importance of Organizational Culture	82
2.5.3	Types of Organizational Culture	84
2.5.4	Organizational Culture in Higher Education	87
2.5.5	Dimensions of Organizational Culture	92
2.5.5.1	Teamwork Organizational Culture	93
2.5.5.2	Innovation Capability	96
2.6	Organizational Performance	99
2.6.1	Dimensions of Organizational Performance	113
2.6.1.1	Job Performance	116
2.6.1.2	Education Quality	124
2.7	Theoretical Background and Research Hypotheses	129
2.7.1	The Effect of Transformational Leadership on Organizational Performance	129
2.7.2	The Effect of Transformational Leadership on Organizational Culture	132
2.7.3	The Effect of Organizational Culture on Organizational Performance	135
2.8	The Gap of Literature	137
2.9	Chapter Summary	139

CHAPTER 3 RESEARCH METHODOLOGY

3.1	Introduction	142
3.2	Research Design	143
3.3	Quantitative Methods	146
3.4	Target Population of the Study	147
3.5	Sample size Determination	149
3.6	Unit Analysis	152

3.7	Sampling Techniques	152
3.7.1	Stratified Random Sampling	155
3.8	Method of Data Collection	158
3.8.1	Simple Random Sampling Technique	159
3.9	Research Instruments	161
3.9.1	Questionnaire Design	163
3.10	Reliability and validity of the Instruments	170
3.10.1	Validity of Questionnaire	170
3.10.2	Reliability of Questionnaire	172
3.10.3	Self-Administered Questionnaires (SAQ)	174
3.11	Pilot Test	176
3.12	Exploratory Factor Analysis (EFA)	178
3.12.1	EFA of Transformational leadership	179
3.12.1.1	Communalities	179
3.12.1.2	KMO and Bartlett's Test	181
3.12.1.3	Total Variance Explained	182
3.12.1.4	Scree Plot	184
3.12.1.5	Rotated component matrix	185
3.12.2	EFA of Organizational Culture	187
3.12.2.1	Communalities	188
3.12.2.2	KMO and Bartlett's Test	189
3.12.2.3	Total Variance Explained	189
3.12.2.4	Scree Plot	190
3.12.2.5	Rotated component matrix	191
3.12.3	EFA of Organizational performance	191

3.12.3.1	Communalities	192
3.12.3.2	KMO and Bartlett's Test	193
3.12.3.3	Total Variance Explained	193
3.12.3.4	Scree Plot	194
3.12.3.5	Rotated component matrix	195
3.13	Data Analysis	196
3.13.1	Reliability Analysis	197
3.13.2	Data Screening	199
3.13.2.1	Missing Data	199
3.13.2.2	The Outliers	200
3.13.3	Descriptive Statistics	200
3.13.4	Confirmatory Factor Analysis CFA	201
3.13.4.1	Convergent Validity	202
3.13.4.2	Discriminant Validity	202
3.13.5	Structural Equation Modelling (SEM)	203
3.13.6	Structural Model (Hypothesis Testing)	204
3.13.7	Mediation Analysis	204
3.14	Chapter Summary	205

CHAPTER 4 RESULTS AND FINDINGS

4.1	Introduction	207
4.2	Exploratory Data Analysis (EDA)	208
4.2.1	Response Rate	209
4.2.2	Missing Data	210
4.2.3	The outliers	211
4.3	Descriptive Analysis	213

4.3.1	Transformational leadership	213
4.3.2	Organizational culture	215
4.3.3	Organizational performance	217
4.3.4	Demographic Analysis	219
4.4	Structural Equation Modeling (SEM)	222
4.4.1	Confirmatory Factor Analysis	222
4.4.2	CFA of Transformational Leadership	223
4.4.3	CFA of Organizational Culture	228
4.4.4	CFA of Organizational performance	233
4.4.5	Construct Validity	238
4.5	The Structural Model	241
4.5.1	Path and Regression Weights Analysis	244
4.5.2	Hypotheses Testing	246
4.5.3	Mediation Effect of Organizational Culture	247
4.5.3.1	Baron and Kenny method	248
4.5.3.2	Bootstrapping	250
4.6	Summary of Hypotheses Findings	252
4.7	Chapter Summary	253

CHAPTER 5 DISCUSSION, RECOMMENDATIONS AND CONCLUSIONS

5.1	Introduction	254
5.2	Research Contributions	260
5.3	Implications of the study	261
5.3.1	Theoretical implications	261
5.3.2	Practical implications	262
5.3.3	Managerial implications	262

5.4	Limitations of the Study	262
5.5	Future researches	263
5.6	Conclusions	263
5.7	Recommendations	264
REFERENCES		269
APPENDIXES		302



LIST OF TABLES

Table No		Page
2.1	The comparison between transformational and transactional leadership	56
2.2	Importance of transformational leadership in higher education	73
2.3	The dimensions of transformational leadership	78
3.1	Population of Study	148
3.2	Comparison between Non-probability and probability sampling	154
3.3	The distribution of study sample	157
3.4	The sections of questionnaire	161
3.5	Developing the items of questionnaire	164
3.6	Communality of transformational leadership	181
3.7	KMO and Bartlett's Test	182
3.8	Total variance explained of transformational leadership	184
3.9	Rotated Component Matrix of Transformational leadership	187
3.10	Communality of organizational culture	188
3.11	KMO and Bartlett's Test	189
3.12	Total Variance Explained of organizational culture	190
3.13	Rotated component matrix of organizational culture	191
3.14	Communality of organizational performance	192
3.15	KMO and Bartlett's Test	193
3.16	Total variance explained of organizational performance	194
3.17	Rotated component matrix of organizational performance	195
3.18	Research Objectives, Questions and Data Analysis Methods	197
3.19	Reliability Cronbach's Alpha Classifications	198



3.20	Reliability Cronbach's Alpha of Each Variable	198
4.1	Sample Study Response Rate	210
4.2	Outliers of study variables	212
4.3	Descriptive mean scores of transformational leadership	214
4.4	Descriptive mean scores of organizational culture practices	217
4.5	Descriptive mean scores of organizational performance	218
4.6	Demographic Profile of Respondents	220
4.7	Fit indices of transformational leadership (initial and final CFA model)	226
4.8	Fit indices before and after fit modification on the measurement model of organizational culture	232
4.9	Fit indices modification (initial and final) of organizational performance	236
4.10	Convergent and discriminant validities	239
4.11	Correlations between latent variables	240
4.12	Fit indices of the structural model	243
4.13	Regression weights	245
4.14	Standardized regression weights	246
4.15	Standardized regression weights	246
4.16	The significance level between the constructs	247
4.17	Standardized regression weights	250
4.18	The summary of total indirect effects in the mediation model	251
4.19	Summary of Hypotheses Findings	253



LIST OF FIGURES

Figure No.		Page
1.1	Research conceptual framework	13
2.1	The growth in higher education in Middle East	30
2.2	A graph showing the model of managerial grid	46
2.3	Four leadership-styles presented by Hersey Blanchard	50
2.4	Transactional vs. Transformational leadership models	55
2.5	Path-Goal Leadership Theory	62
2.6	The dimensional model of transformational leadership	79
2.7	The constructs of organizational culture	99
2.8	The levels of performance evaluation in the institution	116
2.9	The dimensions of Organizational Performance	128
3.1	A diagram showing the research design adopted in this study	145
3.2	Labelled example of a multi-item psychometric scale as used in questionnaires	163
3.3	Scree Plot of Transformational leadership	185
3.4	Scree Plot of Organizational culture	190
3.5	Scree plot of organizational performance	194
4.1	Initial measurement model of Transformational leadership	224
4.2	The final construct of transformational leadership model	227
4.3	Initial measurement model of organizational culture	229
4.4	Final construct of organizational culture measurement model	231
4.5	Initial construct of organizational performance measurement model	234
4.6	Final construct of organizational performance model	237



4.7	The pooled CFA model for the measurement models of transformational leadership; and organizational performance, and organizational culture	242
4.8	Standardized Regression Path Coefficients with R ²	244
4.9	A Three-Variable Mediation	248

LIST OF ABBREVIATIONS

AMOS	Analysis Moment of Structures
AVE	Average Variance Extracted
C.R	Critical Ration
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
Chi-square	Badness of fit
CMIN/DF	Normed Ration
DF	Degree of Freedom
EDA	Exploratory Data Analysis
EFA	Exploratory Factor Analysis
HEI	Higher Education Institution
KMO	Kaiser-Meyer-Olkin
MOHESR	Ministry of Higher Education and Scientific Research
OC	Organizational Culture
OP	Organizational Performance
PCFI	Parsimonious Comparative Fit Index
SAQ	Self-Administered Questionnaires
SEM	Structural Equation Modelling
SPSS	Statistical Package for the Social Sciences
TL	Transformational Leadership
UNESCO	United Nations Educational, Scientific and Cultural Organization
UPSI	Universiti Pendidikan Sultan Idris



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ρ -Value

Model probability



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LIST OF APPENDIXES

- A Survey Questionnaire
- B Table of Expert
- C Descriptive Statistics (SPSS)

CHAPTER 1

INTRODUCTION

1.1 Introduction

The role of higher education in the progress of a society is vital. It shapes up the minds, mold behaviors and develops distinctive capabilities in the human being to serve the society better (Iqbal, Baluch, & Abdullah, 2017). High level of education is one of the major sectors of every nation (Meléndez et al., 2019; Yeni et al., 2019). Hence, without higher education institutions that afford a high quality of education and qualified academic staff, no country can achieve the desired development and growth. Hence, higher education institutions are considered as the core of development and progress in any country in various aspects of life (Sabah, 2013). Today, leadership style has been suggested as an important factor affecting the completely educational process in higher education institutions (Al-Husseini & Elbeltagi, 2018).



In recent years, many organizations in various industries including universities have adopted dynamic and progressive leadership styles to face the challenges of a competitive market because competent leadership provides essential resources for organizations (Jandaghi et al., 2008). Challenges may be present in all institutions including higher education, thus leaders should establish cooperation with followers and smooth working relationships to overcome all kinds of challenges (Bhavani, 2017). The literature reveals that higher education institutions worldwide now are more dependent on transformational leadership to foster education quality. While fostering innovation culture in the educational environment also important but it is more complicated (Umme et al., 2015). Transformational leadership is regarded as the most flexible leadership style of two deal challenges and obstacles facing the work. It serves to enhance the motivation, morale, and job performance of individuals to a project and the collective identity of the institution; being a role model for followers to inspire them and to raise their interest in the project. Challenging employees to take greater ownership for their work, and understanding the strengths and weaknesses of individuals allowing the leader to align followers with tasks that enhance their performance (Barth-Farkas et al., 2014).

Transformational leadership has been found to have an important influence on innovation, leading to increased goal-directed behavior on the part of followers, promoting organizational culture change, and a spirit of trust, and helping followers to exceed their performance expectations (Sawasn, 2016). Thus, universities now require a more efficient leader with a clear vision and motivation power, instead of a dominant personality. Whereas transformational leadership styles got notable attention from many researchers for decades, this style of leadership is more adaptable to national and





international culture, and suite various types of work including higher education context. In the past few decades, public organizations have come under increasing pressure to initiate reforms and changes to cope with central government decisions, tighter budgets, deregulation of financial markets and technological advances (Van der Voet & Van de Walle, 2015). While organizational change happens with increasing magnitude and frequency in all forms of organizations (Ahmad & Cheng, 2018).

Accordingly, a strong organizational culture could make an institution reaching great places through which organizational competencies can be developed and in turn, competitive advantage can be achieved (Fatih, 2018). Thereby, the broad theoretical and empirically concept of organizational culture is explored in this study to understand how organizational culture influence higher education institutions. In recent years, Iraq has witnessed numerous challenges and conflicts that caused great damage to its infrastructure including the educational system. Higher education institutions are one of the sectors that suffered from large destruction, which requires major developments to recover the damage. These efforts include the development of education quality and the performance of academic staff in higher education institutions (Sabah, 2013). Hence, transformational leaders have the strength and capability to make changes among Iraqi universities. With the tough competition in higher education worldwide, those leaders are more capable of success comparing to traditional leadership style, and with the influence of innovated organizational culture, the performance of Iraqi universities could be improved significantly.





1.2 Background of the Study

In the 21st century, leaders face the challenge of being effective in a global knowledge environment. Nowadays, more than ever, leaders must play a key role in helping institutions cope with the challenges they face from expanding knowledge and knowledge systems (Crawford, 2014). Thereby, large organization need for leaders who are willing to works with subordinates to identify needed change, creating a vision to guide the change through inspiration, and executing the change in tandem with committed members of a group (Bernard et al., 2000). Most of universities in Iraq must take serious steps to adopt qualified leadership to achieve sustainable transformation in the educational process based on innovation and creativity in knowledge transfer and acquisition for students. Iraq is rich with natural resources and its geographical location makes it strategically important. The glorious past of Iraq in the field of education cannot be denied, but the present education system of Iraq is facing great challenges, especially in the expertise and education resources (Sabah, 2013).

Although higher education in Iraq has suffered from the scourges of many wars (1980–1988, 1991, 2003), international sanctions (1990–2003) and governments' interference, since 1968, the vast majority of academic staff struggled to keep the universities and colleges as effective instruments in teaching, researching and providing the society with qualified graduates (Jawad & Al-Assaf, 2014). In general, the higher education system affected by the political troubles for almost three decades (Atrushi & Woodfield, 2018). Until the current time, Iraqi universities are lacking sustainability in the educational process and the fulfilment of their mission (Al-Ardawi, 2020). As for teaching staff, the majority of them need training on teaching methods, weak teaching





ability, or desire to effect change in the learning, while the lack of sufficient funds, old program, absence of clear visions (Al-Rubaiy, 2016).

Although Iraq has a very large number of universities in different specializations, the country has been denied the normal technical exchange between countries, which has had a terrible impact on Iraq's educational and training infrastructure because of a lack of transformational leadership. Many universities in Iraq are lacking effective leadership that can deal with the rapid competition in a higher education market (Mukdad et al., 2014). Thus, this study concludes that Iraqi universities are facing numerous challenges that have quickly brought down the quality of higher and continuous education to a point where it is impairing the capacity of the younger generation to rebuild their civil and democratic society. Therefore, there is an imminent need to develop the skills of leaders in Iraqi universities and retraining existing professionals (Sawsan & Ibrahim, 2016).

Many Iraqi academics, students and professionals stated they urgently need modernized materials and methods for learning and teaching to improve the low level of education quality in higher education institutions. Moreover, many Iraqi academics worry about the barrier to development in the higher education sector. This is because services such as public higher education are administered by government and subject to the unpopular interfere, or investment, which is susceptible to corruption and thus limits the capacity for reform the educational culture inside Iraqi universities (The Guardian newspaper, 2018). The conclusion after a short interview with several Iraqi universities conducted by Fran Sutherland (2018) showed that the majority of Iraqi academics and students want us to support them in areas they find themselves lacking,





from safety and stability to materials and equipment. Many express a strong desire for modern, practical approaches to higher education focused around workplace skills and employability. Forging robust quality assurance criteria has been a priority for some time.

Many studies have associated transformational leadership with organizational culture (Masood et al., 2006; Gordana, 2016). For example, the organizational culture affects the organizational performance through distribution of power inside an organization and could be a strong influential for change and development in organization mission (Tewodros, 2016). Thus, organizational culture is linked with distributed power within the organization. In other words, the leader makes certain decisions with more involvement of employees in the process of decision-making, according to that the transformational leadership style suits best to these cultures (Gordana, 2016). In a highly innovative and satisfying organizational culture, it is important to adopt transformational leaders to increase trustworthy and purposeful working environments and solve complex problems (Barth-Farkas & Vera, 2014). Leaders who build such cultures and articulate them to followers typically exhibit a sense of vision and purpose. They align others around the vision and empower others to take greater responsibility for achieving the vision. Such leaders facilitate and teach followers. They foster a culture of creative change because transformational leadership has an indirect positive impact on performance via achievement organizational culture orientation (Athena & Maria, 2006).





Organizational culture affects the decisions and actions of managers and employees thus affecting almost all elements of management and organization. Yarbrough et al. (2011) claimed that organizational culture affects the strategy of the institution as well as the performance, whereas the leader of the institution shapes the culture in a different way (Gordana, 2016). Nevertheless, a successful organization is always concern to know the extent to which their performance has reached a good level. Organizations must compare their inputs and output, and to explore how their competitors are working to raise their performance. For example, many successful organizations rely on modern approaches in the workplace based on technology and innovation to increasing the speed and accuracy of work and reducing costs through the application of technology (Cascio & Montealegre, 2016; Ceausu et al., 2017).



Therefore, this study is motivated to understand the role of transformational leadership on the performance of higher education institutions in Iraq, whereas examining the role of organizational culture on this relationship. Accordingly, this study examined the direct and the indirect effect of transformational leadership on the performance of higher education institutions in Iraq, taking into account the mediation role of organizational culture in this relationship will fill this gap in the literature.

1.3 Problem Statement

Sustaining the quality of education remains the main challenge faced by tertiary institution systems around the world, derived from the growth of international education and conclusion of government budgetary allocation, public higher education



institutions as well as private institutions are focused on commercial competition enforced by economic effects (Yeni et al., 2019). However, several factors contribute to the performance of higher education such as organizational culture and leadership approach.

Previous research has shown that the workplace culture has a significant impact on organizational success (Feather et al., 2018; Pawirosumarto et al., 2017). The workforce is more motivated to work hard and be creative in doing the job to meet the organization's goals when they are in a better working culture. Whereas unsuitable working conditions, on the other hand, demotivate workers, resulting in a drop in overall organizational efficiency (Yeni et al., 2019).

Apart from culture, today's institutions need to have an effective leadership style that supports institutions to improve the performance significantly (Ramussen & Nielsen, 2011). Local universities are facing great challenges to deal with competition from international educational institutions; hence, they need to perform in a highly competitive environment where value is created using knowledge capabilities and effective leadership (Barth-Farkas et al., 2014). Accordingly, many universities started to replace those leaders who stick with the traditional leadership style and change them with transformational leaders. However, there is a need to understand whether this strategy is good for Iraqi universities or not in the past decades, universities in Iraq have been facing many obstacles which hinder the development of high education in this country, while the lack of qualified teaching staff affected the quality of education, as well as the absence of organization culture that encourage innovation and creativity in Iraqi universities. The destruction of infrastructure and ongoing security dangers,

problems plaguing Iraq's higher learning system include under-qualified teaching staff (33% hold only bachelor's degrees, despite rules requiring a master's degree; 39% hold master's degrees, 28% hold PhDs). All these factors affect the performance of Iraqi universities. It is found that Iraqi universities need to reinforce institutional leadership and take the lead in reform of the completely educational system based on transformation and innovation (Sabah, 2014; Sawsan & Ibrahim, 2016).

Recent studies revealed the situation of higher education in Iraq still collapsing and not improving, and this is the result of two important factors according to Al-Ardawi (2020). the first is related to the quality of the curricula, and the second obstacle relates to the performance of academic staff, the majority of lecturers are still using traditional teaching methods. It is evident that most Iraqi universities facing many challenges related to delivering high quality of educational courses, these issues mainly due to a lack of effective leadership in the whole education process. There is a large hesitation or fear of change among most leaders in Iraqi universities. This is one of the problems that higher education in Iraq suffers from, as it does not exist because of the social background, or the culture of expressing opinion or transparency in dealing and working with difficult tasks. It is mainly because of lacking transformational leaders (Al-Haidari, 2017).

In other words, the organizational culture in most public organizations in Iraq resists the change. This reflects the poor performance of the public sector organizations; this includes those delivering various kinds of service in Iraq (Ahmad & Cheng, Zhichao, 2018). By looking at the literature, it is clear that organizational culture and leadership have a significant impact on the performance of organizations, this

relationship applied on higher education institutions. Thus, this makes them important factors that need to be taken into consideration when reforming public sector performance in any country in the world. However, research that discusses this relationship from the context of the public sector in Iraq is lacking (Al-Tameemi & Alshawi, 2014).

The review of literature reveals limited researching in the role of job performance in fostering the performance of higher education institutions, there lack of empirical research pertinent to the employee performance in general and employee performance in higher education (Iqbal et al., 2017), whereas the academic staff in Iraqi universities are often are blocked by bureaucratic culture. Therefore, in the era of computers, information and knowledge, training and qualification on this technology are necessary. There is a need for creating a healthy and natural atmosphere of competition and cooperation between universities and their progress in the same country, and the provision of qualified staff to manage them and fill the gap in the migration of minds and competencies abroad. So far, there have been very limited studies that focus on the challenges facing Iraqi universities to adopt transformational leadership in Iraq (Sawsan & Ibrahim, 2016). Thus, this study attempts to extend the body of knowledge on transformational leadership in Iraq as well as investigating the role of organizational culture in the relationship between transformational leadership and organizational performance Whereas previous studies revealed that, the majority of universities in Iraq are still relying on traditional leadership styles, few Iraqi universities are focusing on the significant impact of transformational leadership towards the educational performance (Mukdad et al., 2014; Sawsan, 2016).

The previous arguments reveal a lack of empirical evidence on the significant role of transformational leadership in higher education institutions in Iraq (Rakesh et al., 2009, Al-Husseini & Elbeltagi, 2018). It is evident and approved that leadership is an essential determinant of success in any institution, whereas the culture of Iraq should be consistent with the appropriate leadership style, which supposed to foster the performance of Iraqi universities. However, the question arises in this study; does transformational leadership is the right approach to foster the organizational performance of Iraqi universities at present? This main question requires a robust evidence and empirical validation.

1.4 Objectives of the Study

1. To investigate the effect of transformational leadership on organizational performance.
2. To identify the effect of transformational leadership on organizational culture.
3. To identify the effect of organizational culture on organizational performance.
4. To examine the mediation role of organizational culture towards the association between transformational leadership and organizational performance.



1.5 Research Questions

1. What is the extent effect of transformational leadership on organizational performance?
2. What is the extent effect of transformational leadership on organizational culture?
3. What is the extent effect of organizational culture on organizational performance?
4. What is the role of organizational culture on the relationship between organizational performance and transformational leadership?



1.6 Research Hypothesis



- H1: Transformational leadership has a positive and significant effect on Organizational Performance.
- H2: Transformational leadership has a positive and significant effect on organizational culture.
- H3: Organizational culture has a positive and significant effect on organizational performance.
- H4: Organizational culture mediates the relationship between transformational leadership and organizational performance.



1.7 Conceptual Framework of Research

In this study, three variables constructing the conceptual framework (transformational leadership, organizational culture, and organizational performance). The development of this framework is based on the findings of previous studies and the perspectives of scholars in management science.

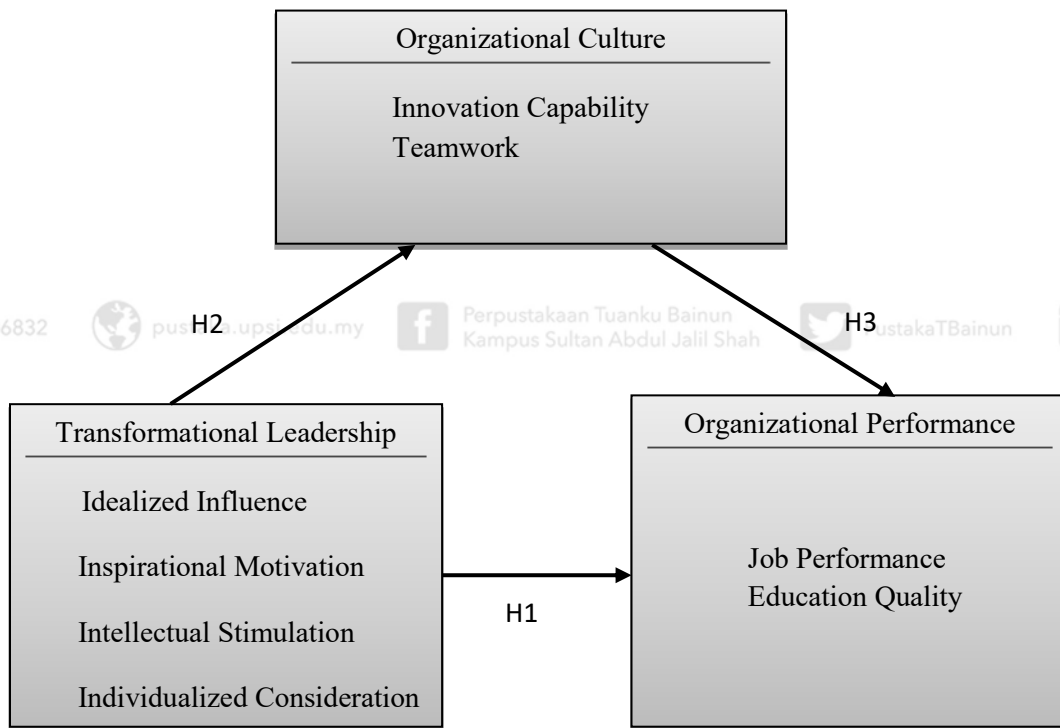


Figure 1.1. Research Conceptual Framework (Feather et al., 2018; Thiaku et al., 2021; Caza et al., 2021).

Different frameworks for distinguishing between different 'types of' knowledge exist. Organizational culture is postulated to be one of the greatest theoretical levers required for understanding institutions. Verifying and using those theories minimally requires comparisons between the cultures of different institutions, which in turn imply

the identification of common dimensions for assessing organizational culture (Nathalie, 2002). Despite there are lots of studies found that organizational culture could enhance the performance of organizations in various industries performance (Barth-Farkas et al., 2014; Sabah, 2013) but little works have been in done in higher education context, and none have examined the mediation role of organizational culture to influence the impact of transformational leadership on university. The review of literature shows that transformational leadership is measured through four factors: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration, while organizational culture is measured through two factors: teamwork and innovation capability, and organizational performance is measured through two factors: job performance and education quality.

1.8 The Significance of Research

The importance of this study comes from the analysis of essential factors that enhance the performance of educational institutions in Iraq. This study focuses on performance in an educational context through developing a conceptual model that could be adopted by educational institutions to enhance organizational performance through transformational leadership. Moreover, this research project contributed to the body of knowledge of leadership concept in the following two aspects.

Theoretical Contribution: The outcome of this study will extend the theoretical concept of transformational leadership in educational institutions as well as provide a better understanding of the significant role of transformational leadership style in the higher education sector. The findings of this study will explain the association between transformational leadership style and university performance through the mediating effect of culture in the educational environment. It is assumed that transformational leadership could encourage the staff to express their ideas freely, which will be reflected in the performance significantly.

Practical Contribution: The result of this study will help Iraqi universities in particular to build a distinct organizational culture from others. The findings of this study will define certain cultural policies that guide the staff, give them a sense of direction at the university so that every individual is clear about his roles and responsibilities in the university, and know how to accomplish the tasks ahead of the deadlines. Furthermore, the empirical results that will be set in chapter fours will utilize transformational leaders on the performance of the selected universities in this study, thus sets the university direction and vision, influencing how lower levels of a university operate, and help a university leader to meet new challenges, such as during a reorganization, strategic redirection or downsizing.

1.9 The Scope of Study

This study will be conducted in Iraq. Respondents are individuals representing academic staff in five universities located in the south of Iraq, the name of those

Universities University of Basrah, University of Al-Qadisiyah, University of Thi-Qar, University of Misan, and University of Al-Muthanna. The subject of this study is limited to discuss the concept of three variables transformational leadership style; and organizational performance, and organizational culture.

1.10 Operational Definition

This section explains the key concepts that are frequently used in this study for answering the study questions. A complete explanation is presented in the next chapter.

Transformational Leadership (TL) is a developed style of leading people where a transformational leader encourages his/her staff to work will fewer restrictions, creating a vision to guide the change through more inspiration in work, and executing the desired change by sharing ideas with a group of people (Robbins, 2007). In higher education, transformation leadership is the style of leading academic staff towards innovation and using creative idea in teaching. Transformational leadership is measured through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Organizational Culture (OC) is the set of thoughts shared by individuals within an institution, so OC reflects the social dimension of the institution, where individuals share common values and beliefs associated with their institution (Needle, 2004). Organizational culture in higher education is an atmosphere of innovation and collaboration in the educational mission. Organizational culture is measured through



teamwork, and innovation capability.

Organizational Performance (OP) encompasses the actual outcomes of the institution against its desired goals and objectives (Helen & Hanger, 2007). Organizational performance in higher education is the excellence of education output and performance. The organizational performance is measured through job performance, and education quality.

1.11 Organization of the Thesis

This thesis was organized into five chapters. Chapter one presents the background of the study, statement of the problem, study questions, objectives of the study, and significance of the study, the study scope, conceptual and operational definitions, and the summary. Chapter Two was devoted to the literature review. The aim of this chapter is to acquaint the reader with existing studies relative to the issues covered in the study. Thus, it provides the theoretical inference for the study and partly establishes the need and relevance for it. This includes pioneering writings on concepts, and the types, practices, areas and applications of Transformational leadership, Organizational Culture, and Organizational Performance. Chapter Three examines the research method used in undertaking the studies. Chapter 4 dealt with a detailed analysis of the findings, presentation, and interpretation of data. Chapter Five incorporates the summary of major findings, conclusions, and recommendations.





1.12 Chapter Summary

This research begins with an introduction where research questions and objectives set that provided direction for the research study to figure out what kind of variables that affect the performance of universities in Iraq, whether it is strong or weak and its effect on high performance. The findings from the previous study indicate that transformational leadership plays a pivotal role in enhancing the educational process innovation process. In the higher education sector, transformational leaders motivate their staff and teachers to initiate reform efforts and develop new approaches to improve educator and student performance.

This chapter introduces the main topic and disciplines in this thesis including research background, problem statements and main issues facing higher education institutions in Iraq, research questions and objectives, the significance of the topic, limitations, and a definition of key concepts. In this chapter, the problem statement is highlighted in the context of higher education in Iraq, where Iraqi universities are unable to develop educational performance in accordance with international standards. Therefore, this study will investigate this problem and attempt to propose recommendations with regard to transformational leadership style; and organizational performance; and organizational culture. To solve this problem, this study investigated the effect of transformational leadership on organizational performance as well as identifying the mediating role of organizational culture on the association between transformational leadership and organizational performance of universities.

