

TRANSFORMATIONAL LEADERSHIP AND ITS IMPACT ON EMPLOYEE PERFORMANCE: FOCUS ON PUBLIC EMPLOYEES IN AFGHANISTAN

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Abstract

This study examines the relationship between transformational leadership and employee performance based on a survey conducted on 150 employees in low and middle level management positions in the Ministry of Public Works in Kabul, Afghanistan. The survey questionnaire consisted of questions about employee performance, transformational leadership (6 dimensions), pay satisfaction, job security, and demographic control variables.

The result of OLS regression analysis concludes that two dimensions of transformational leadership – identifying and articulating a vision, and intellectual stimulation – are statistically significant and positively related to employee performance. In addition, job security is highly significant and related to employee performance.

Keywords: transformational leadership, employee performance, public organization, Afghanistan.

1. Introduction

Because employee performance is essential for organizational outcome, many scholars have identified various factors influencing it (e.g., Hassan and Hatmaker, 2015; Wright, 2007; Frank and Lewis, 2004; Erez, Earley and Hulin, 1985). Leadership has been considered a key factor of employee performance (Moynihan, Pandey and Wright, 2012); therefore, if employee performance is theoretically dependent on leadership, the question arises as to which type of leadership in practice is more effective in influencing employee performance? Recently, studies have concluded that transformational leadership is positively associated with employee performance (e.g., Lowe, Kroeck and Sivasubramaniam, 1996; Dvir *et al.*, 2002; Kark, Shamir and Chen, 2003; Piccolo and Colquitt, 2006; Parllberg and Lavigna, 2010; Wright and Pandey, 2010).

Transformational leadership refers to 'the leader moving follower beyond immediate self-interests through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration' (Bass, 1999, p. 11). Transformational leaders help to redefine organizational members' mission and vision; renew their organizational commitment; and restructure the organizational system to accomplish goals (Roberts, 1985). Moreover, transformational leaders can use their skills of emotional and social intelligence to change members' behavior (Bass and Avolio, 1994). Because of these characteristics, transformational leadership is considered a crucial organizational factor in improving employee performance; correspondingly, researchers in the field assert that transformational leadership positively impacts on employee performance (e.g., MacKenzi, Podsakoff and Rich, 2001; Dubinsky *et al.*, 1995; Yammarino *et al.*, 1997).

Even though transformational leadership has been studied cross-culturally and in different contexts and in many countries as a new paradigm for understanding leadership (Jung, Bass and Sosik, 1995; Chin, 2007), there has not been any research conducted within government agencies in Afghanistan to the best of our knowledge. Therefore, the current study tries to find whether transformational leadership is associated with employee performance and which dimensions of leadership are more important to public employees' performance in Afghanistan.

2. Literature review

2.1. Transformational leadership

Transformational leadership was established and explained for the first time in 1978 by James Burns who emphasized intellectual leadership, moral leadership, revolutionary leadership, democratization, and benevolence. He introduced many successful leaders who led transforming organizations, governments, or countries and described what kind of factors made them influential for the transformation (Burns, 1978), concluding that transformational leaders encourage participation; emphasize

a sense of collective identity and efficacy; empower subordinates; define public values; promote followers to pursue higher values; and vigorously communicate with followers (Burns, 2003).

According to Bass (1985), there are three main ways to achieve successful transformation: 1. increasing the level of awareness to the values and significance of intended outcomes and ways to achieve these outcomes; 2. sacrificing one's own self-interests for groups, communities, or nations; 3. elevating our need levels from the security needs to recognition or self-actualization needs on Abraham Maslow's needs hierarchy. Bass *et al.* (2003, p. 208) provided four components of transformational leadership: idealized influence, inspirational motivation, intellectual stimulation, and individual consideration and emphasized differences between transformational leadership and transactional leadership; within the latter, organizational members follow the leader to receive rewards and recognition, or to avoid disciplinary actions.

2.2. Six dimensions of transformational leadership behaviors

Based on a broad review of literature on transformational leadership, Podsakoff *et al.* (1990, p. 112) suggested that 'transformational leadership is multidimensional in nature' and proposed six main transformational leadership behaviors.

The first dimension is 'identifying and articulating a vision': transformational leaders find new opportunities for their employees and organizations and are able to identify and articulate a vision to their followers; they encourage and inspire followers through their vision of the future. The second dimension is 'providing an appropriate model', which is the behavior related to leaders who are setting examples for their employees to follow; these examples are supported by the leader's value. The third dimension is 'fostering the acceptance of group goals', whereby the leader's behavior fosters acceptance of a group's common goals which, in turn, motivates employees to work together as a team; these encouraging behaviors engender strong and effective cooperation among employees to work as a team to achieve a shared goal. The fourth dimension of transformational leadership is 'high performance expectations': this dimension represents the behavior of leaders who expect higher performance from their employees; leaders care about excellence and quality in performing tasks from their employees. The fifth dimension is 'providing individual support', meaning leaders respect and take care of the personal feelings and the needs of their followers; they respect their employees and their feelings. Lastly, the sixth dimension is 'intellectual stimulation': transformational leaders ask followers to re-examine assumptions about what they are doing at work; intellectual stimulation makes employees rethink current issues and take innovative action. Collectively, these six dimensions are used to measure transformational leadership behaviors in this study.

2.3. Transformational leadership and employee performance

Since transformational leaders identify and articulate organizational visions; provide an appropriate model; emphasize group goals; expect high performance of their employees; express concern about followers' individual needs and feelings; and intellectually stimulate employees to be innovative, we could expect that employees who work with transformational leaders would perform better (Podsakoff *et al.*, 1990).

There are numerous studies confirming that transformational leadership is directly or indirectly positively related to employee performance (e.g., Bass and Riggio, 2006; Bellé, 2014; Kovjanic, Schuh and Jonas, 2013; Grant, 2012; Walumbwa, Avolio and Zhu, 2008; Walumbwa and Hartnell, 2011). For the direct relationship, Bass *et al.* (2003) found that transformational leadership in military organizations is positively related to soldiers' performance. Similarly, Thamrin (2012) confirmed that transformational leadership has a positive and significant influence on employee performance in Indonesia. Piccolo and Colquitt (2006) and Tsai, Chen and Cheng (2009) found that transformational leadership is directly related to employee task performance. Caillier (2014) suggested that transformational leadership has a direct influence on employee evaluations. After conducting a meta-analytic research of 25 years of literature on transformational leadership and performance, Wang *et al.* (2011) concluded that transformational leadership is positively related to followers' general job performance and overall team performance, as well as followers' task-related and creative performance.

For the indirect relationship, mission valence (Callier, 2014), beneficiary contact, and self-persuasion (Bellé, 2014) strengthen the relationship between transformational leaders and employee performance. The quality of the relationship between leaders and followers (Carter *et al.*, 2013); relational identification (Walumbwa and Hartnell, 2011); level of potency and cohesion of units (Bass *et al.*, 2003); interaction of identification and means efficacy (Walumbwa, Avolilo and Zhu, 2008); and competence and relatedness need satisfaction (Kovjanic, Schuh and Jonas, 2013) mediated the relationship between transformational leadership and employee performance.

Even though many studies have found that there is a direct or indirect impact of transformational leadership on employee performance, it is not easy to find a study that examines how different dimensions of transformational leadership are related to employee performance. Because transformational leadership is essentially multidimensional, as Podsakoff *et al.* (1990) noted, it is important to understand which dimension is more or less related to employee performance. Therefore, based on the previous literature review and the six dimensions of transformational leadership behavior proposed by Podsakoff *et al.* (1990), this study constructs the following six hypotheses:

- H 1.1: Identifying and articulating a vision is associated with employee performance;
- H 1.2: Providing an appropriate model is related to employee performance;
- H 1.3: Fostering the acceptance of group goals is associated with employee performance;

- H 1.4: High performance expectations has a relationship with employee performance;
- H 1.5: Providing individual support is related to employee performance, and
- H 1.6: Intellectual stimulation is associated with employee performance.

2.4. Job security, pay satisfaction, and employee performance

In addition to the six dimensions of transformational leadership behavior, this study adds two more independent variables that influence employee performance: job security and pay satisfaction.

2.4.1. Job security and employee performance

Job security is defined as ‘the perceived stability and continuance of one’s job as one knows it’ (Probst, 2002, p. 146) whereas job insecurity means ‘perceived powerlessness to maintain desired continuity in a threatened job situation’ (Greenhalgh and Rosenblatt, 1984, p. 438). If employees are unstable in their job status and worried about their future, they will be stressed, less satisfied with their job, and may not perform their job optimally. Considering that, currently, the government in Afghanistan heavily relies on external revenues from foreign and international donor agencies that are widely joining in state building efforts, a large number of public programs are established by the donors, and many public officials temporarily work for those projects on a contractual basis without job security (Bizhan, 2018); therefore, whether public employees perceive that their job is protected or not might be an important factor for employee performance.

Many previous studies confirm that job security and insecurity are significant predictors of employee performance. For example, Yousef (1998) found that when employees believe that their job is secure, they perform better at their job and commit more to their organization in the United Arab Emirates. Bhuiyan and Islam (1996) also found that satisfaction with job security among expatriate employees in Saudi Arabia is positively related to their continual commitment to their employers. Based on the survey conducted in the Northeastern United States, Ashford, Lee and Bobko (1989) found that job insecurity is negatively associated with job commitment, organizational trust, job satisfaction, and turnover intention. Sverke, Hellgren and Näswall (2002) found that job insecurity negatively influences employees’ job attitudes, organizational attitudes, and health; however, job insecurity was not significantly related to job performance, thereby raising the possibility that job insecurity could improve performance in some contexts. Considering the contexts in Afghanistan’s public sector and previous studies, this study proposes the following hypothesis: H 2: Job security is associated with employee performance.

2.4.2. Pay satisfaction and performance

Pay satisfaction is important for both employers and employees. Employees' pay satisfaction is crucial, especially, because pay is an essential outcome or motivator for employees and pay satisfaction influences the attitudes they hold towards their jobs and their professional behavior. Based on equity and organizational justice theory, when employees are not satisfied with their pay, they might be absent more, habitually come to work late, take unnecessary breaks, perform below expectations, be more willing to strike, or be involved in wrongdoings (Lum *et al.*, 1998; Singh and Loncar, 2010; Lim, 2002).

There have been some studies that show the relationship between pay satisfaction and productivity (organizational outcomes), work motivation, organizational commitment, and employee performance. For example, Lazear (2000) found that pay satisfaction has a positive impact on productivity, while Currall *et al.* (2005) found that teachers' pay satisfaction was positively associated with students' academic performance. Tang and Chiu (2003) proved that pay satisfaction has a positive relationship with organizational commitment. Orpen and Bonnici (1990) found that pay satisfaction was significantly and positively related to motivation on the job. Williams, McDaniel and Nguyen (2006) found that pay satisfaction was weakly associated with employee performance. As Locke (1982) pointed out, even though there is a lot of criticism regarding Taylor's idea—'money was what the workers wanted most' (p. 16), pay was the main issue in the Topeka experiment and many recent studies support the idea of using money to motivate workers. Since the financial compensation level of civil servants in Afghanistan is low, pay satisfaction might be significantly associated with employee performance. Therefore, the current study constructs the following hypothesis: H 3: pay satisfaction is associated with employee performance.

As seen in Figure 1, this study develops the conceptual framework with the six dimensions of transformational leadership (identifying and articulating a vision, providing an appropriate model, fostering the acceptance of group goals, high performance expectations, providing individualized support, and intellectual stimulation) from Podsakoff *et al.* (1990)'s study, as well as job security, pay satisfaction, and demographic variables including gender, age, education level, work experience, and department.

3. Data and methods

3.1. Population and sample

For this study, a survey was conducted to test the hypotheses in the Ministry of Public Works in Kabul, the capital city of Afghanistan. The main task of the Ministry is the construction of roads, bridges, highways, and railways. The target population of the survey comprised low- to mid-level employees in the agency, such as depart-

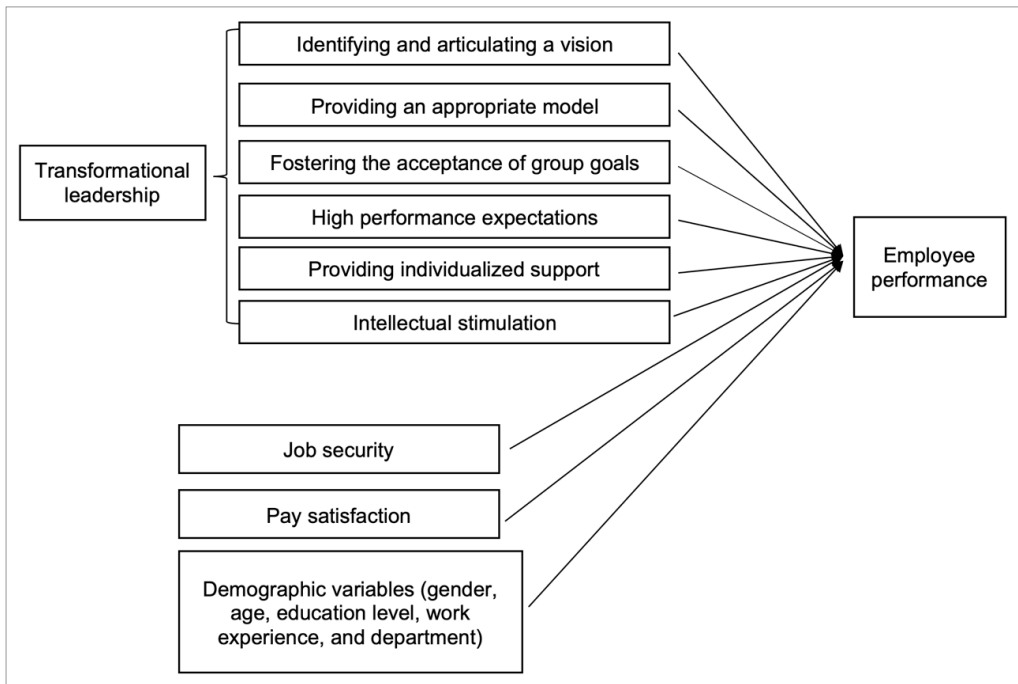


Figure 1: Conceptual framework

Source: Authors' conceptualization

ment managers who are accountable to the top management in their department. The questionnaire required gathering responses from followers about their leaders, so low- and mid-level employees were chosen as the target respondents without considering their ages. According to the Ministry of Public Works' structure, in 2017, low- and mid-level employees in the Ministry accounted for 250 people. Because there are some employees who are engineers and working on construction areas outside of the Ministry, the survey questionnaires were distributed only to the 200 employees who were available in the Ministry by a convenient sampling method.

3.2. Questionnaire design

The survey questionnaire consisted of 52 questions, including dependent variable (employee performance), independent variables (six transformational leadership behaviors, job security, and pay satisfaction), and demographic questions. A 5-point Likert scale was used for responses to questions. The questionnaire was translated from English to Persian because most of the employees in the Ministry of Public Works are not familiar with the English language and the official language in Afghanistan is Persian. The questionnaire was divided into three major parts: the dependent variable measured by 16 questions; the independent variables comprising 31 questions; and demographic variables.

3.2.1. *Dependent variable*

The dependent variable for this study is employee performance which is measured by a 16-questions, itemized questionnaire (Lynch, Eisenberg and Armeli, 1999). The questions were revised to measure respondents' own performance, such as 'I perform tasks that are expected of me', 'I exhibit punctuality in arriving at my workstation on time after breaks', and 'I adequately complete assigned duties'. There is one reversed score item: 'I spend time in idle conversation'.

3.2.2. *Independent variables*

The independent variables are transformational leadership, job security, and pay satisfaction. Transformational leadership behavior is measured by 23 questions consisting of Podsakoff *et al.* (1990) six dimensions of transformational leadership: identifying and articulating a vision (five questions); providing an appropriate model (three questions); fostering the acceptance of group goals (four questions); high performance expectations (three questions); providing individualized support (four questions); and intellectual stimulation (four questions). All questions asked employees to express opinions about their immediate supervisor's leadership behavior. Job security is measured by three items from Caplan *et al.* work (1975, p. 247). Additionally, pay satisfaction was measured by five questions from the Pay Satisfaction Questionnaire (PSQ) developed by Heneman and Schwab (1985). Table 4 presents the questions used in this study and Cronbach Alpha scores for each item.

3.2.3. *Control variables*

Gender, age, education level, work experience and department were included as demographic variables.

3.3. *Survey administration*

Hard copies (200) of the survey questionnaire were distributed to low-and mid-level employees from July 19 to September 17, 2017. A total of 183 questionnaires were returned, which accounts for a 91% return rate. After data cleaning, the remaining number of responses that were acceptable and usable for analysis was 150. The collected data were entered into an Excel sheet and then those data which were not usable were deleted from the data sheet; finally, the viable data were imported into Stata (15 version) for analysis.

Of these 150 respondents, 125 (83.33%) were male, which accounts for the majority of respondents. From these 125 employees, 64 (51.2%) were aged between 22–31 years, 25 (20%) were between 32–43 years, 18 (14.4%) were between ages 44–54; 18 (14.4%) were between ages 55–56. A total of 25 (16.76%) employees were female, of which 11 (44%) were between ages 22–31; 7 (28%) were between ages 32–43; 6 (24%) were between ages 44–54; and only one employee, accounting for 4% of all female employees, was between age 55–65.

Table 1: Gender and age information of respondents

Gender	Male	Female	
		125 (83.3%)	25 (16.76%)
Age	22-31	64 (51.2%)	11 (44%)
	32-43	25 (20%)	7 (28%)
	44-54	18 (14.4%)	6 (24%)
	55-65	18 (14.4%)	1 (4%)
Total	150		

Source: Authors' research results

In terms of education, the number of respondents holding a high-school degree was 66 (44%), and the number of respondents holding a bachelor's degree was 80 (55.33%). The number of employees holding a master's degree was only 4, which accounted for 2.67% of all respondents. Most of the respondents had earned a bachelor's degree.

Table 2: Department of respondents

Department	Number	Percentage
HR	21	14%
Road Construction	9	6%
Administration and Services	13	8.67%
Surveying and Projecting	5	3.33%
Office Management	4	2.67%
Finance and Administration	26	17.33%
Internal Audit	12	8%
Quality Control	16	10.67%
Project Management	7	4.67%
Procurement	18	12%
Policy and Plan	9	6%
Railway	10	6.67%
Total	150	100%

Source: Authors' research results

Table 3: Education level of respondents

Education Level	Number	Percentage
High-school	66	44%
Bachelor's degree	80	53.33%
Master's degree	4	2.67%
Total	150	100%

Source: Authors' research results

To examine the relationship between the dependent variable and independent variables, we used factor analysis with varimax rotation to check the measurement model, but it failed to obtain the clear factor loading patterns. Therefore, the current study adopts factor-based scores to conduct an ordinary least squares (OLS) regression by using Stata (15 version). Before the regression analysis was conducted, a reliability test was performed (see Table 4).

The regression model included employee performance (EPD), transformational leadership 1 (TLD1), transformational leadership 2 (TLD2), transformational leadership 3 (TLD3), transformational leadership 6 (TLD6), job security (JDS), pay satisfaction (PSD), work experience (WE); also, transformational leadership 4 (TLD4) and transformational leadership 5 (TLD5) were dropped from the model because of low Cronbach's Alpha scores.

Table 4: Employee performance, six dimensions of transformational leadership, job security, and pay satisfaction (questions and Cronbach Alpha scores)

Variable	Questions	Cronbach Alpha Score
Employee performance	I perform tasks that are expected of me.	0.8778
	I exhibit punctuality in arriving at my work station.	
	I spend time in idle conversation. (Reversed)	
	I adequately complete assigned duties.	
	I fulfill responsibilities that are specified in my job description.	
	My attendance at work is above the norm.	
	I work cooperatively with my supervisor.	
	I meet formal performance requirements of the job.	
	I give advanced notice when unable to come to work.	
	I make constructive suggestions to improve the overall functioning of my work group.	
	I encourage others to try new and more effective ways of doing their jobs.	
	I keep well-informed where opinion might benefit the organization.	
	I continue to look for new ways to improve the effectiveness of my work.	
	I take action to protect the organization from potential problems.	
	I go out of my way to help new employees.	
I volunteer for things that are not required.		

Variable	Questions	Cronbach Alpha Score
Transformational leadership	<i>Identifying and articulating a vision</i>	
	My leader has a clear understanding of where we are going.	0.8662
	My leader paints an interesting picture of the future for our group.	
	My leader is always seeking new opportunities for the organization.	
	My leader inspires others with his/her plans for the future.	
	My leader is able to get others committed to his/her dream.	
	<i>Providing an appropriate model</i>	
	My leader leads by doing rather than simply by 'telling'.	0.8353
	My leader provides a good model for me to follow.	
	My leader leads by example.	
	<i>Fostering the acceptance of group goals</i>	
	My leader fosters collaboration among work groups.	0.8702
	My leader encourages employees to be team players.	
	My leader gets the group to work together for the same goal.	
	My leader develops a learning attitude and spirit among employees.	
	<i>High performance expectations</i>	
	My leader shows us that he/she expects a lot from us.	0.5255
	My leader insists on only the best performance.	
	My leader will not settle for second best.	
<i>Providing individualized support</i>		
My leader acts without considering my feelings. (Reversed)	0.4789	
My leader shows respect for my personal feelings.		
My leader behaves in a manner thoughtful of my personal needs.		
My leader interacts with me without considering my personal feelings. (Reversed)		
<i>Intellectual stimulation</i>		
My leader challenges me to think about old problems in new ways.	0.7714	
My leader asks questions that prompt me to think.		
My leader has stimulated me to rethink the way I do things.		
My leader has ideas that have challenged me to reexamine some of my basic assumptions about my work.		
Job security	I am certain about what my future career picture looks like in this organization.	0.81
	I am certain about the opportunities for promotion and advancement which will exist in the next few years.	
	I am certain about my job security in this organization.	
Pay satisfaction	I am satisfied with my take-home pay.	0.89
	I am satisfied with my benefits package.	
	I am satisfied with the organization's pay structure.	
	I am satisfied with the size of my current salary.	
	I am satisfied with the number of benefits I receive.	

Source: Authors' research results

4. Data analysis and results

4.1. Descriptive statistics

The descriptive statistics displayed in Table 5 provide the number of observations, mean, standard deviation, minimum, and maximum values for the six dimensions of transformational leadership, employee performance, job security, pay satisfaction, and work experience. The number of observations for all variables was 150.

TLD1 represents the first dimension of transformational leadership, identifying and articulating a vision, which has a mean of 3.74. TLD2 represents the second dimension of transformational leadership, providing an appropriate model, and has a mean of 3.57. TLD3, the third dimension of transformational leadership, fostering acceptance of group goals, has a mean of 3.79. The fourth dimension of transformational leadership, TLD4, high performance expectations, has a mean of 3.71. The fifth dimension of transformational leadership, TLD5, providing individualized support, has a mean of 3.34, and the last dimension of transformational leadership, TLD6, intellectual stimulation, has a mean of 3.5. Among these dimensions, TLD5, providing individualized support, and TLD6, intellectual stimulation, have the lowest mean value.

For other variables, the dependent variable, employee performance (EPD), has a mean of 3.8 and job security (JSD) and pay satisfaction (PSD) have means of 3.3. and 2.6, respectively. Lastly, the mean of work experience (WE) is 13.24.

Table 5: Descriptive statistics (N=150)

Variables	M	SD	Minimum	Maximum
Identifying and articulating a vision (TLD1)	3.74	0.88	1.4	5
Providing an appropriate model (TLD2)	3.57	0.99	1	5
Fostering the acceptance of group goals (TLD3)	3.79	0.93	1	5
High performance expectations (TLD4)	3.71	0.75	1.666667	5
Providing individualized support (TLD5)	3.34	0.71	1.75	5
Intellectual stimulation (TLD6)	3.5	0.81	1	5
Employee performance (EPD)	3.8	0.60	2.5625	5
Job security (JSD)	3.3	1.04	1	5
Pay satisfaction (PSD)	2.6	1.12	1	5
Work experience	13.24	11.49	1	47

Source: Authors' research results

4.2. Linear regression analysis

This section includes the goodness of fit and OLS regression results.

4.2.1. Goodness of fit

The F-value shows that the model is significant at the 1% level. The explanatory power of the model (R^2) is 0.6149, meaning that 61.49% of the variability of the dependent variable EPD is explained by independent variables in the regression model. To check for multicollinearity, the variance inflation factors (VIF) were estimated. The VIF in this model ranges from 1.34 to 3.49, with an average of 2.50, thus showing that multicollinearity between independent variables is not a problem (Mansfield and Helms, 1982).

4.2.2. OLS regression results

The results of the multiple linear regression are reported in Table 6, and the OLS results show that the first dimension of transformational leadership (TLD1), identifying and articulating a vision, has a positive relation with employee performance (EPD). Therefore, H1.1 is supported. TLD1 is positively correlated with EPD ($p < .05$), showing that an increase in TLD1 by one unit will increase EPD by 0.17. In addition, the OLS regression result shows that the second dimension of transformational leadership, providing an appropriate model, is not associated with employee performance. Therefore, H1.2 is not supported. The result of the regression analysis demonstrates that fostering the acceptance of group goals (TLD3), the third dimension of transformational leadership, is positively related to employee performance, but there is not enough evidence to reject the null hypothesis of no linear relationship between TLD3 and employee performance. Therefore, H1.3 is not supported. Yet the OLS regression result shows that the sixth dimension of transformational leadership (TLD6), intellectual stimulation, has a positive relationship with employee performance. Therefore, H1.6 is supported. TLD6 is positively associated with EPD ($p < .01$), showing that an increase in TLD6 of one unit will increase EPD by 0.16.

The OLS regression results show that job security is positively associated with employee performance. When job security (JSD) increases by one unit, employee performance will increase by 0.3 and both variables are positively associated ($p < .01$). Therefore, H2 is supported. According to the regression result, pay satisfaction is negatively associated with employee performance but the relationship is not statistically significant. Therefore, H3 is not supported. Lastly, the work experience variable is positively related to employee performance; hence, the relationship is statistically significant ($p < .05$), meaning that as employees work longer, employee performance improves. According to the coefficient of the work experience, as there is a one-unit increase in the value of work experience, there will be a 0.0057 increase in the value of employee performance.

Table 6: OLS Regression results on employee performance

Variable	Coefficient (Std. Err)
Identifying and articulating a vision (TLD1)	0.16** (0.066)
Providing an appropriate model (TLD2)	-0.0720 (0.0530)
Fostering the acceptance of group goals (TLD3)	0.0360 (0.0580)
Intellectual stimulation (TLD6)	0.22*** (0.060)
Job security (JSD)	0.31*** (0.0410)
Pay satisfaction (PSD)	-0.090 (0.032)
Work experience (EP)	0.006** (0.0026)
$F(6, 143) = 38.06^{***}$	
$R\text{-squared} = 0.6149$	
N = 150	
Note: *** $p < .01$; ** $p < .05$; * $p < .1$	

Source: Authors' research results

5. Implications and conclusions

This study examines how transformational leadership dimensions are related to employee performance in the Ministry of Public Works in Kabul, Afghanistan. The regression analysis of survey data collected from public officials in low- and middle-level positions indicates that the first dimension of transformational leadership, 'identifying and articulating a vision', is positively associated with employee performance, which means that when leaders identify and articulate a vision of their members and organization, employees perform better. Therefore, the result suggests that if organizational leaders in the Ministry of Public Works are able to identify and articulate a vision, it could help them to improve their employee performance because leaders who can identify and articulate a vision are able to create new opportunities for their followers and encourage them to perform well through their vision of the future (Podsakoff *et al.*, 1990). Along these lines, those leaders who create opportunities for their employees can increase the knowledge and performance of their employees who are then poised to seek new opportunities. In accordance with this finding, this study suggests that the Ministry of Public Works should train leaders to be able to identify and articulate a vision of their organization and employees.

The regression analysis also demonstrates that the sixth dimension of transformational leadership, 'intellectual stimulation', has a positive relation to employee performance. Therefore, leaders who intellectually stimulate employees could be able to

increase employee performance. They can inspire employees to re-examine assumptions about their work and encourage them to rethink problems in the organization and take constructive and innovative actions (Podsakoff *et al.*, 1990). This study suggests that the Ministry of Public Service develops managers' skills in the domain of intellectual stimulation of their subordinates because when public employees are intellectually stimulated they will be innovative and creative and pursue new solutions to old problems. Intellectual stimulation leads employees to have higher performance and be more effective at their jobs.

The most influential variable to decide employee performance in this study is job security. The job security factor is positively related to employee performance, a result affirming previous literature, such as Yousef (1998) and Bhuian and Islam (1996). When public employees in this study feel more secure in their job, they work harder and improve their performance. Considering the current social contexts in Afghanistan, having a stable job could be crucial for employees to perform better. For instance, without job security, employees may fear losing their jobs and spend valuable time thinking about another job. The Ministry of Public Works should provide solid job security to their employees in order to be sustainable and encourage employees to perform their tasks well because public employees who feel strong job security will work harder in the Ministry of Public Works. Pay satisfaction, however, is not important for employee performance in this study and the mean value of pay satisfaction is only 2.6.

Overall, this study confirms that two dimensions of transformational leadership behaviors, identifying and articulating a vision and intellectual stimulation, are positively associated with employee performance. There have been many studies that have found that transformational leadership is positively related to employee performance, indirectly, directly, or both, in different organizational contexts and various countries, such as the USA, UK, Japan, China and Taiwan (Bass and Riggio, 2006; Bellé, 2014; Caillier, 2014; Carter *et al.*, 2013; Ishikawa, 2012; Kovjanic, Schuh and Jonas, 2013; Grant, 2012; Walumbwa, Avolio and Zhu, 2008; Walumbwa and Hartnell, 2011; Thamrin, 2012). This study reconfirms the positive relationship between transformational leadership and employee performance in the context of Afghanistan's public sector.

Moreover, this study uses six dimensions of transformational behaviors to find which dimensions are more related to employee performance and determined that two dimensions – identifying and articulating a vision, and intellectual stimulation – are related to performance of employees. Because transformational leadership is essentially multidimensional (Podsakoff *et al.*, 1990), it is important to understand the relationship between employee performance and particular dimensions of transformational leadership behavior. Moreover, the two dimensions might reflect organizational cultural uniqueness in Afghanistan. Historically, Afghanistan's organizations have had a characteristically centralized decision-making process, so the degree of empowerment to subordinates has been low. Employees have become accustomed to

following the orders and directions of their supervisor and organization (Gul *et al.*, 2018, p. 80). Within this kind of organizational culture, leaders' active role in identifying and articulating visions and stimulating subordinates intellectually is crucial to improve employee performance and behavioral changes.

Because this study uniquely uses the six dimensions of transformational leadership to examine the relationship with employee performance, we could not compare the results in detail from those of other studies because most studies use the transformational leadership variable as one dimension. For future research, we propose comparative studies examining the relationship between the six dimensions of transformational leadership and employee performance. Depending on cultural differences among organizations or countries, we could find that different dimensions are associated with employee performance in different contexts. In addition, the examination could be extended to relationships with other organizational behaviors, such as work motivation, job satisfaction, and organizational commitment.

Even though we have tried to present the scientific evidence based on the empirical data collected from the agency in Afghanistan to prove the relationship between transformational leadership and employee performance, several limitations should be highlighted. First, generalization of the results is an issue we should consider. Because this study collected data from only the Ministry of Public Works in Afghanistan and used a convenient sampling method, any statistical inference from the data is limited in a strictly scientific sense. We should be careful to apply the results to other organizations and other countries. The second limitation is the social desirability bias. Because the questionnaire asked employees to scale their own performance and immediate supervisor's leadership style, respondents may have answered the questions in a way that favorably portrayed them. To overcome this limitation, this study suggests that future research expand subjects of study to more public agencies in Afghanistan, collect data by the random sampling method, and add more objective data for employee performance and leadership behaviors. In addition, to further understand leadership behaviors in public agencies in Afghanistan, a field study, case study, or observational study may be useful.

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