

Influence of Individualized Consideration Behavior on Public Sector Performance in Tanzania

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Abstract: *This study examined the influence of individualized consideration (IC) on public sector performance (PSP) in Tanzania. The study was quantitative where survey design was employed. The sample size involve were 360 respondents who were employees of public sector organizations in Tanzania. Multi stage sampling procedure employed during data collection. Data analysis was done quantitatively using structural equation modeling. Findings indicate that individualized consideration has positive and significant influence on PSP in Tanzania. The study concludes that leaders at public sector should be aware that high performance is influenced when leaders recognize employee's efforts, involves them in decision making, mentoring and coach them. This implies that when leaders at the public sectors make consideration to employees will automatically improve performance by providing better services to the people which is the key function of public sector organizations.*

Keywords: Transformational leadership, Individualized Consideration leadership behaviour, Public Sector Performance

1. Introduction

Literature demonstrates leadership is a tool for improving organisational performance. Scholars point out that transformational leadership (TL) is an effective leadership style for improving organisational performance. For instance, Hesselbein and Shrader (2010) and Hosseini SarKhosh (2008) demonstrated that transformational leadership is an effective leadership because it builds moral characteristics such as support, empowerment, coaching, commitment, teamwork, autonomous, righteousness, which are an important aspects of influencing employee's performances. In addition Edoke (2012) argued that TL is an effective leadership because it influences subordinates to do their work better with high level of commitments which increases organisational performance and thus recommended for various organizations to adopt it.

Empirical studies point out the need of applying transformational leadership to influence organizational performance. For instance, for instance, Karamat (2013) conducted a study to find out the impacts of leadership style on organizational performance in Cambrian organisation in France. The study found transformational leadership as the best leadership for improving performance because it brings change and transform workers in the organisation to provide better results.

Realizing the importance of transformational leadership for improving public sector performance, in the last 30 years the governments all over the world adopted transformational leadership by building a reform programme (Lufunyo, 2013). Furthermore, most African countries also adopted a transformative reform programme. For instance, Kenya developed an economic recovery strategy and public sector results based policy which became a foundation of influencing high public sector performance (Ngaithe, 2015).

Likewise, the Government of Tanzania, like other countries developed a number of programmes such as civil service

reform program in 1991, public service management and empowerment policy 1999 and public service reform program phase one and two of 2000 and 2008 consecutively. According to PO-PSM (2014) all public services reform programmes and policies aimed at improving public sector performance and transitioning the country's economy from low to middle income. From that base, public sectors and other developmental partners have been paying attention to the subject matter of transformation to influence good services delivery to the people.

In addition, in recent years the government of Tanzania introduced a transformative initiative known as Big Results Now (BRN) which adopted from Malaysia. The aim of BRN was to improve public sector performance (GoT, 2013). Scholars such as Edward (2014) argue that BRN was a good transformative initiatives for influencing public sector performance. Unfortunately, BRN was halted and, 2017 it was officially closed. Deprived performance of BRN initiatives was triggered by absence of appropriate policy that imitated transformational leadership (URT, 2016).

Therefore, despite all these transformative efforts, yet the expected results were not impressive (Lufunyo, 2013). Public sectors performed below expectations, which resulted to unsatisfactory service delivery to the people (Mpango 2012). According to Abdulaziz *et al.* (2012) public sector's performance in underdeveloped countries confirmed being insufficient, and it was recommended adopting transformational leadership constructs for better improvements.

According to Burn (1978) transformational leadership is a leadership style where leaders and subordinates help each other to higher level of motivation and morality, and all of them perform beyond expectations. Individualized consideration is among the four constructs of TL where this study investigated its influence on PSP in Tanzania. Public sector performance is the process of effective and efficient services delivery to the people. To come up with findings it

was hypothesized that: *Individualized consideration has positive and significant influence on public sector performance in Tanzania.*

2. Literature Review

2.1 Theoretical literature Review

To study the influence of individualized consideration behavior on organisational performance, Burns (1978) introduced the transformational leadership theory. He asserts that transformational leadership is a leadership style where leaders and followers help each other to higher level of motivation and morality to influence organisational performance. Later, Bass (1985) extended the theory of transformational leadership by adding four dimensions that tend to influence organisational performance. He describes the theory by stating that individualized consideration, inspirational motivation, intellectual stimulation and idealized influence are four determinants of transformational leadership that have significant effects on organisational performance. Despite the described necessity of the constructs of transformational leadership such as individualized consideration, there are limited research findings on view of individualized consideration towards influencing PSP in Tanzanian context. Likewise, individualized consideration comprises astonishing attributes and a number of studies suggest their influence on performance, but little attention is paid on these attributes (Hussain *et al.* 2014). This study therefore borrowed individualized consideration to study its influence on PSP in Tanzania.

2.2 Empirical Literature Review

Belias and Koustelios (2014) determine the influence of transformational leadership and job satisfaction in Banking in Trikala region in Greece. Findings indicated that positive and significant influence between individualized consideration, employees and organisational performance. This means that considering employee's leads to empowerment and commitments which influences performance (Riggio and Conger, 2008). Even though findings indicate significant relationship, the study conducted on organisation which deals with financial transaction and whose nature of functionality is quite difference with the public sectors. Therefore, it was important conducting research to detect the influence of individualized consideration on PSP in Tanzania. These findings relate with Uymaz (2015) who analyses the influence of individualized consideration on follower's performance. The study involved 247 respondents. Data analysis was done using structural equation model and findings indicate that individualized consideration has positive and significant influence on followers and organisational performance. The researcher recommended involving employees on decision making to improve much more employees and organizational performance.

In addition, Long *et al.* (2014) investigated the impact of TL on job satisfaction. The findings revealed that individualized consideration was found to be contributing most in job satisfaction. This means that considering workers they

become satisfied and committed for maximum output; hence the organisation was able to produce to the maximum level. Although, individualized consideration is considered to influence organisational performance, little is articulated on public sectors in Tanzania. Therefore, to gain more knowledge based on the influence of individualized consideration on PSP, further analysis was required.

3. Methodology

This study adopted quantitative research methods. Survey research questionnaire used for data collection. In this study, the regional commissioners' offices organizations were representing other public sectors in Tanzania. The study population was 4,337 employees and from this population, 360 respondents was sample. Multi stage sampling technique was applied to select one public sector in each zone, followed by simple random sampling which used to select employees to complete the survey questionnaire. The summated rating scale (likert scale) was used to rate the survey questionnaire. During data analysis descriptive approach was used to establish the normality of the numbers, factorial analysis for validating the underlying constructs and structural equation model used for testing hypothesis. The validity and reliability issues were ensured; for instance composite reliability, convergent and discriminant validity was analysed during confirmatory factor analysis. Findings indicating reliable and valid result are shown in Table 3.1. Furthermore, nomological validity assessed using SEM where the standardized coefficients were found above 0.2 as suggested by (Fornell and Larcker, 1981).

Table 3.1: Composite Reliability, Convergent and Discriminant Validity

| | CR | AVE | MaxR(H) | IC | PSP |
|-------------|-------|-------|---------|--------------|--------------|
| IC | 0.742 | 0.510 | 0.752 | 0.700 | |
| RCOP | 0.682 | 0.518 | 0.687 | 0.331 | 0.646 |

Source: Researcher (2018)

Also, reliability tested using the Cronbach's alpha (α) analysis and findings indicate very reliable variables since the Cronbach's coefficient range from 0.847 to 0.889 as shown on Table 3.2.

Table 3.2: Reliability of Variables

| Variables | No attributes | Cronbach's Alpha |
|------------------------------|---------------|------------------|
| Individualized Consideration | 7 | 0.850 |
| Public sectors performance | 12 | 0.847 |

Source: Researcher (2018)

4. Findings and Discussion of the Study

Exploratory factor analysis was run to assess the suitability of each item to their underlying structure as recommended by Yong and Pearce (2013). In individualized consideration two items was dropped namely delegation (IC4) and close relation ship (IC5). In PSP six items were dropped namely corruption prohibition (RCOP5), equal dissemination of resources (RCOP6), effective performance (RCOP8), accountability (RCOP9), training (RCOP10) and business as usual (RCOP12). All items dropped during exploratory analysis had weak loadings and multiple loading which

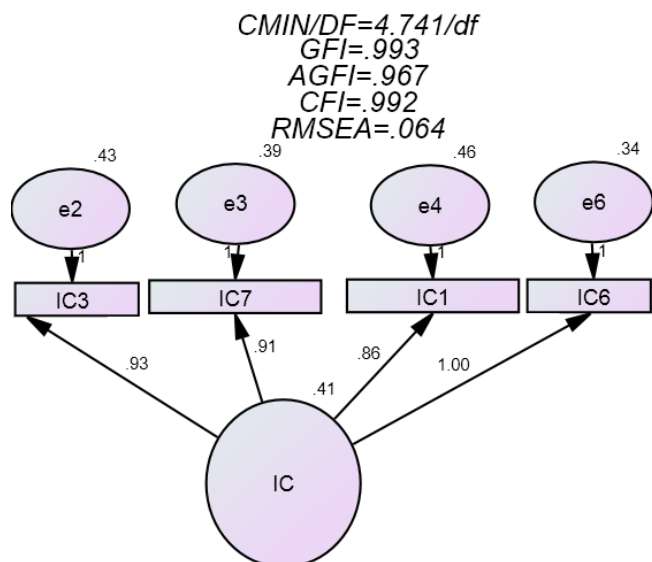
affected model fitting. The fitted items on each variable which retained as described in Table 4.1.

Table 4.1: Definitions of Constructs and their Measurements

| IC: | PSP |
|------------------------|---------------------------------------|
| IC1: Decision making | RCOP2: Reform programme |
| IC2: Support | RCOP3: Action taken |
| IC3: Recognition | RCOP4: Supervision of local authority |
| IC6: Staff empowerment | RCOP7: Coordination |
| IC7: Coaching | RCOP1: Accomplishing directives |

Source: Researcher, 2018

Having established the study framework from the exploratory factor analysis, the next step was to perform confirmatory factor analysis which used to achieve a better model fit. After confirmatory factor analysis, the remaining items of individualized consideration were IC1, IC3, IC6 and IC7. These items fitted well after refining once in the confirmatory factor analysis. Figure 4.1 shows the individualized model after refining in confirmatory factor analysis.



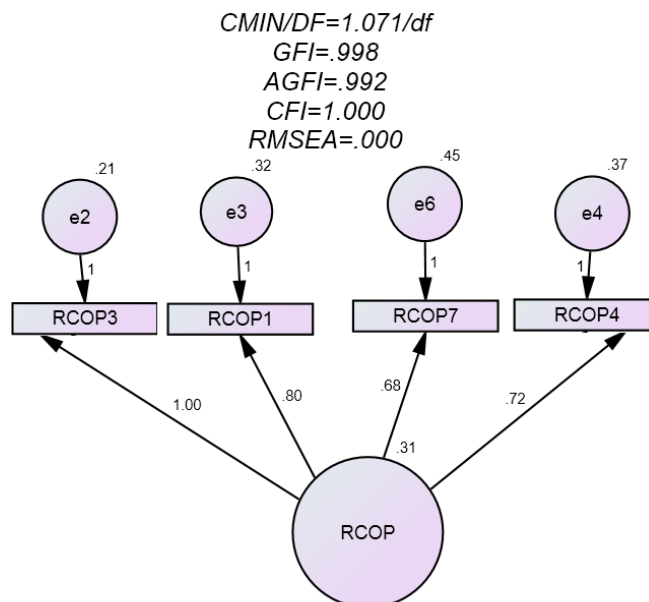
Standardized Measurement Model for Individualized Consideration
 Key Note:
 IC: Individualized Considerations
 IC1: Decisions making
 IC3: Recognition
 IC6: Staff empowerments
 IC7: Coaching

Figure 4.1: Individualized Consideration Measurement Model

Source: Researcher (2018)

Measurement Model for the PSP in Tanzania

The confirmatory factor analysis was run to refine the measurement model for PSP in Tanzania as indicated in Table 4.2. Out of six item involved, the following observed variable namely RCOP1, RCOP3, RCOP4 and RCOP7 were confirmed as mearement model for PSP in Tanzania as shown in Table 4.1 Figure 4.2.



Standardized Measurements for Public Sector Performance
 Key Note:
 PSP: Public Sector Performance
 RCOP1: Servises delivery
 RCOP3: Action taken
 RCOP4: Supervision of local authority
 RCOP7: Coordination

Figure 4.2: The Public Sector Measurement Model

Source: Researcher (2018)

Table 4.2: Summary of Measurement Model on CFA

| Items | Confirmatory factor analysis | | | | |
|----------|------------------------------|-----------------------|-------|-------|---------|
| | Indicating Good | Measurement Model Fit | | | |
| | CMID/Df | GFI | AGFI | CFI | RMSEA |
| IM | 2.034 | 0.994 | 0.971 | 0.995 | 0.055 |
| PSP | 0.535 | 0.998 | 0.992 | 1.00 | 0.000 |
| Standard | < 3 | >0.95 | >0.95 | >0.95 | < 0.008 |

Source: Reseacher 2018

Basic Structural Model on IC and RCOP in Tanzania

The basic structural model of the study used to test hypothesized the relationship between the influences of individualized consideration on PSP in Tanzania. In structural model regression analysis was run to test between individualized consideration and PSP in Tanzania. Results yields a standardized path coefficient ($\gamma = 0.216$) in Table 4.2 which indicate a positive and significance relationship. Hoe (2008) postulated that, a standardized path coefficient (γ) should be at least 0.2 in order to be considered significant. In this study, the standardized path coefficient of 0.216 is above 0.2 was significant. Further analysis of the significant influence of IC on PSP was done by critical ration as indicated in Table 4.2. Findings show critical ration of 2.193 and $p = 0.028$. As argued by Hox and Bechger (2014), a relationship which has yield a critical ration greater than 1.96 and p -value less than 0.05 is considered significant. Based on the findings in the current study, the influence of individualized consideration on PSP in Tanzania was found to be positive and significant. Hence, the stated hypothesis was accepted.

Table 4.2: Basic Model - Standardized Regression Weight

| Path | Estimate | S.E. | C.R. | P | Label | SRW | Remarks |
|--------------|----------|------|--------|------|--------|-------|-----------|
| RCOP <--- IC | .145 | .066 | 2.193 | .028 | par_22 | 0.216 | Supported |
| IC1 <--- IC | .954 | .091 | 10.436 | *** | par_14 | 0.677 | Supported |
| IC3 <--- IC | .962 | .093 | 10.355 | *** | par_17 | 0.673 | Supported |
| IC6 <--- IC | 1.000 | | | | | 0.717 | Supported |
| IC7 <--- IC | .915 | .089 | 10.258 | *** | par_16 | 0.663 | Supported |

Source: Researcher (2018)

This study investigated the influence of individualized consideration on PSP in Tanzania. In attending to this investigation, reviewed literature which connects to the findings in the past study metrics used in evaluating the sought relationship of individualized consideration and PSP. In evaluating this hypothesis, the research models identify collective decision making, recognition, empowerments and coaching as the key attributes of individualized consideration. In estimating the required relationship, the results yielded a standardized path coefficient (γ) of 0.216, critical ration (C.R) of 2.193 and significant p value of 0.028. The results indicate that individualized consideration have positive and significantly influence on the public sector performance in Tanzania.

The findings related with Ogala *et al.* (2017) who examined the influence of individualized consideration on employee's performance in small and medium enterprises in Kenya. The study was quantitative where questionnaire survey used for data collection. Findings revealed that individualized consideration has positive and significant relationship with the employees' performance in small and medium enterprises in Kenya. Even though the findings are related, but Ogala *et al.* (2017) used stratified random sampling during data collection while the current study applied multistage sampling to obtain data.

Furthermore, these study findings are also similar with the theory of transformational leadership by (Bass, 1985) who demonstrated that individualized consideration is among the four attributes of transformational leadership which influence performance.

In addition, this study corroborate Ondar *et al.* (2018)) who found a significant relationship between individualized consideration and organizational performance of state corporation in Kenya. The study conducted in eight state corporation organizations in Kenya and it was a quantitative study where 5 likert scales used for evaluation of the survey questionnaire. Descriptive data analysis was used and findings revealed that individualized consideration had significant relationship with organizational performance of State Corporation in Kenya.

The study further differs with others studies such as Obiwuru *et al.* (2011) who investigated the effects of leadership style on organisational performance in small scale enterprises in Logos Nigeria. This study was quantitative and used survey questionnaire for data collection. Multiple regression analysis models used to analyze data and findings indicated that individualized consideration has positive but insignificant relationship with employees and small-scale enterprises performance in Logos Nigeria. It was speculated that the relationship between individualized consideration

and small scale organisational performance was affected by other factors in the organisation. Based on these findings, the study helps to explain that the nature and structure of organisation may affect the influencing power of individualized consideration on organisational performance. This implies that individualized consideration does not influence organisational performance due to its nature and structure the organisation.

5. Conclusion and Recommendation

The strong supports from theoretical and empirical findings emphasize the importance of individualized consideration on PSP in Tanzania. Therefore, leaders at public sectors should be aware that high performance is obtained when leaders recognize employee's efforts, involves them in decision making, mentoring and coaching them. This implies that when leaders at the public sectors make consideration to employees will automatically improve performance by providing better services to the people which is the key function of public sectors. Empirical evidence provided in this study indicates that collective decision making, recognition, empowerments and coaching are the key attributes of individualized consideration on influencing PSP in Tanzania.

On the other side, this study was conducted in public organisation in Tanzania. A similar study can be conducted specifically at local government authority, central agency and ministry level to distinguish the influence of individualized consideration for each level of the governments, because all governments' levels are important and they provide services to the people. The study did not use moderators; other studies cab be conducted by including moderating variables.

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