

The Influence of Transformational Leadership, Organizational Culture and Good Governance on Organizational Effectiveness of Local Administrative Organizations in Nakhon Phanom Province

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Abstract

The objectives of this research were threefold: 1) to study the level of transformational leadership, organizational culture, good governance, and effectiveness of local administrative organizations (henceforth LAOs) in Nakhon Phanom province; 2) to study the influences of structural relationships of transformational leadership, organizational culture, and good governance on the effectiveness of LAOs in Nakhon Phanom province; and 3) to explore ways to enhance the transformational leadership, organizational culture, good governance, and effectiveness of LAOs in Nakhon Phanom province. The samples were 377 executives and staff members selected through a stratified random sampling from 104 LAOs across Nakhon Phanom province in the fiscal year 2015. Out of the 377 samples, 12 were conveniently selected for an in-depth interview. A questionnaire with statements of five Likert-type rating scales was used to collect the quantitative data, and a structured interview was used to collect the quantitative data. The statistical tools used for analyzing the quantitative data included descriptive statistics, Pearson's correlation, and path analysis. Content analysis was performed to analyze the quantitative data from the in-depth interview. The results were as follows: 1) transformational leadership, organizational culture, good governance, and effectiveness of the LAOs in Nakhon Phanom province were at a high level; 2) transformational leadership, organizational culture, and good governance had the direct effects on the effectiveness of the LAOs, the variables with indirect effects were transformational leadership and organizational culture, and the proposed

structural equation model comprising four factors-transformational leadership, organizational culture, good governance, and effectiveness of the LAOs in Nakhon Phanom province-had goodness of fit with the empirical data; and 3) transformational leadership could be enhanced through intellectual stimulation, organizational culture through adaptability and mission-oriented cultures, and good governance through accountability and cost-effectiveness. The three causal factors could account for 33 per cent of the effectiveness of the LAOs in Nakhon Phanom province.

Keywords: Transformational leadership, Organizational culture, Good governance, Effectiveness

Introduction

Corruption and vested interests are widespread in Thailand in both private and public sectors. The discernible consequences of those fraudulent acts include retraction in social and economic development of the country and the negative perception of foreign investors towards Thailand. Corruption and vested interests in administrative tend to be on the rise and this yields negative impacts on the achievement of the implementation of the good governance principles in Thailand (Udomkijmongkol et al, 2010).

This serious problem of corruption and vested interests needs to be addressed urgently, and it is generally accepted that for the purpose of the progress and development of local Thailand, the personnel affiliated with local administrative organizations (LAO) have a very significant role to play. The personnel of local administrative organizations are duty-bound to perform their duties relevant to public services. They are therefore expected to have a high level of leadership which spells pivotal for the achievement of their work which typically involves management, development, and interactions with internal and external parties. And one form of such effective leadership the LAO staff members need to up skill is transformational leadership.

The transformational leadership qualities the administrators and staff of an LAO need to up skill include idealized influence, intellectual stimulation, inspiration provision, and awareness of

individual differences. These dimensions of transformational leadership involve organizational culture in terms of involvement, unity, adaptability, and mission. However, the general public are the most important stakeholders who can help in an indication of the success or failure in the management and service delivery of an LAO. In this regard, an LAO can be effective and well-established only when it is given support and cooperation from the people. With strong support and cooperation among people and LAO executives and staff, sustainable development in any aspects of the country is on the horizon (Puang-ngnam, 2014). To this effect, an LAO with transformational leadership, appropriate organizational culture and good governance has positively direct effects on the wellbeing of the people under its jurisdiction (Piyaselo, 2011).

As a researcher who has been in close contact with LAOs in Nakhon Phanom province, the author of the present study found it urgent to carry out a study on the influence of transformational leadership, organizational culture, and good governance on the effectiveness of local administrative organizations. It was expected that the results from this study would help in the establishment of sustainable development for the local administrative organizations in the province, which in turn add to further development of the country as a whole.

Research Objectives

The objectives of this study were three fold: 1) to study the level of transformational leadership, organizational culture, good governance, and effectiveness of LAOs in Nakhon Phanom province; 2) to study the influence of structural relationships of transformational leadership, organizational culture, and good governance on the effectiveness of LAOs in Nakhon Phanom province; and 3) to explore the in-depth data pertaining to ways to enhance the transformational leadership, organizational culture, good governance, and effectiveness of LAOs in Nakhon Phanom province.

Research Methodology

Populations and samples

The research method adopted for this study was a combination of quantitative and qualitative aspects. The population of this study was 6,557 full-time staff members affiliated with 104 local administrative organizations in the fiscal year 2017 across Nakhon Phanom province (the data was derived from Office of Local Administrative Promotion, 2015). Drawing on the stratified random sampling, the author consulted Krejcie & Morgan's (as cited in Sincharu, 2012) table to determine the sample size and eventually managed to get 377 samples for the quantitative data aspect. The qualitative data aspect of this study was collected through an in-depth interview with 10 experts conveniently selected for the purpose of this study. Out of the 12 informants, 5 were national experts in the fields of good governance for the local administrative organization, local development administrative, and political science for local development administrative. Another 5 were executives in the LAOs in Nakhon Phanom province.

Data collection tools

1. A questionnaire

A questionnaire was used to collect the quantitative data. The questionnaire, constructed by the researcher based on a systematic process of constructing a questionnaire, comprised 3 parts: Part I was a check-list for the demographic data of the respondents. Part II contained 73 close-ended statements about the opinions of the respondents towards transformational leadership, organizational culture, and good governance in local administrative organizations in Nakhon Phanom province. Part III contained 20 close-ended statements about the effectiveness of local administrative organizations in Nakhon Phanom province. Part II and II of the questionnaire were of a five Likert-type rating scale, ranging from strongly agree=5, agree = 4, uncertain = 3, disagree - 2, and strongly disagree = 1. To determine the validity and reliability of the questionnaire, 5 experts in the related fields were asked for a helping hand in checking Index of Item-Objective congruence in the questionnaire (IOC = 0.80-1.00 = acceptable). The draft questionnaire with feedback and comments from the experts were revised and administered for a

tryout to 30 respondents who were not the samples in this study. The tried-out questionnaire was analyzed for reliability, and based on Cronbach's alpha reliability test, the alpha coefficient of 0.96 was calculated for the questionnaire, rendering it reliable for use in the present study.

2. A structured in-depth interview

To collect the qualitative data for the present study, a structured in-depth interview was used. The interview was meant to probe the ways to enhance the level of transformational leadership, organizational culture, good governance, and effectiveness of local administrative organizations in Nakhon Phanom province. The probing points in the questionnaire were synthesized from the results of the quantitative data analysis in which the items with the average score lower than the total average score were selected.

Data analysis

1. The data from the questionnaire were analyzed quantitatively, using descriptive statistics – percentage, mean, and standard deviations.
2. The analysis of Pearson's correlation was performed to measure the relationships between local administrative organizations and the three variables - leadership, organizational culture, and good governance.
3. Path analysis was performed to determine the direct and indirect effects of the effectiveness of the LAOs in Nakhon Phanom province.
4. Content analysis was conducted to analysis the qualitative data derived from the in-depth interview.

Research Results

1. Demographic information of the respondents

Most of the 377 respondents were male (61%), while 147 were females (39%). More than half of the respondents had an average age of 41-50 years (50.90%). There were 144 respondents with over 50 years of age (38.20%). Thirty respondents reported their ages of 31-40 years (8%). The rest of the respondents were of average age between 21-30 (2.90%).

In terms of the marital status, most of the respondents (63.70%), were married while only 69 (18.30%) informants were single. Those with either widow or widower status were reported to be 43 (11.40%). 4.80% of the respondents were divorced, and those who reported themselves as estranged wife or husband accounted for 1.80%.

On educational background, 176 (46.70%) of the respondents were Bachelor's degree holders. 156 (41.40%) of them were Master's degree holders. Those with lower-than-Bachelor's degree education were 28 (7.40%). However, 17 respondents (4.50%) had doctorates.

In terms of yearly income, most of the respondents (232/61.50%) earned more than 300,000 baht a year. 110 (29.20%) of them had yearly incomes of 200 000 - 300 000 baht. Those with 100 000 - 200 000 year incomes were 33 (8.80%) in number. Only 2 respondents (00.50%) reported their yearly incomes of lower than 100 000 baht.

In terms of affiliations, it was found that half of the respondents (193/51.20%) were affiliated with Municipality. 94 (24.9%) of them were affiliated with Sub-district administrative organizations. 90 (23.90%) were affiliated with provincial administrative organizations.

And in terms of employment status, more than half (207/ 54.90%) of the respondents were permanent civil servants. 99 (26.30%) of them were in executive classifications. Those with statuses relating to legislation were 71 (18.80%).

2. Results in relation to the research objectives

2.1 The first objective of this research was to study the levels of transformational leadership, organizational culture, good governance, and effectiveness of LAOs in Nakhon Phanom province. The analysis of the questionnaire data revealed that:

2.1.1 On the whole, the levels of transformational leadership, organizational culture, good governance, and effectiveness of the LAOs in Nakhon Phanom were high. In detail, it was found that the means of all the variables regarding the transformational leadership were at a high level, ranging from the highest mean of 4.31 for motivation stimulation, 4.27 for idealized influence, 4.27 for awareness of individual differences, and 4.18 for intellectual stimulation, respectively.

2.1.2 The average mean for organizational culture variables were also at a high level, ranging from the highest mean of 4.23 for unity, 4.18 for involvement culture, 3.34 for mission-oriented culture, and 3.24 for adaptability culture, respectively.

2.1.3 The average mean of the qualities of good governance was high. To this extent, the highest mean was for the rule of law (3.95, followed by integrity (3.84), involvement (3.81), transparency (3.79), cost-effectiveness (3.71), and accountability (3.64), respectively.

2.1.4 The average mean for the organizational effectiveness was also at a high level, ranging from effectiveness of job performance (3.91), followed by organizational development (3.83), effectiveness of plan implementation (3.82), and service quality (3.79), respectively.

Variable	Mean	S.D.	Level
Transformational leadership	4.26	.60	High
Organizational culture	3.75	.61	High
Good governance	3.79	.59	High
Organizational effectiveness	3.84	.63	High

2.2 To study the influence of structural relationships of transformational leadership, organizational culture, and good governance on the effectiveness of LAOs in Nakhon Phanom province was the second objective in this research. The path analysis revealed that the direct effects were found in transformational leadership (Beta=0.06, p-value<0.01), organizational culture (Beta=0.09, p-value<0.01), and good governance (Beta=0.89). The indirect effects were found in transformational leadership (Beta=0.62, p-value<0.01) and organizational culture (Beta=0.29, p-value<0.01) mediated through variables : organizational culture and good governance. The total effects on the effectiveness of LAOs in Nakhon Phanom province were seen in three variables: transformational leadership (Beta=0.068, p-value<0.01), organizational culture (Beta=0.038, p-value<0.01), and good governance (Beta=0.089, p-value<0.01).

The proposed structural equation model in this study comprised four factors-transformational leadership, organizational culture, good governance, and effectiveness of local administrative organizations in Nakhon Phanom province, and it was found that the proposed model was in a good fit with the empirical data.

3. Ways to enhance transformational leadership, organizational culture, good governance, and effectiveness of the local administrative organizations in Nakhon Phanom province as derived from the in-depth interview included the following points: transformational leadership could be enhanced through intellectual stimulation, organizational culture through adaptability and mission-oriented culture, and good governance could be improved through accountability and cost-effectiveness. The three causal factors could account for 33 per cent of the effectiveness of the local administrative organizations in Nakhon Phanom province.

Discussion

The major findings in this study can be discussed as follows. That all the observed variables-transformational leadership, organizational culture, and good governance that had influences on the effectiveness of local administrative organizations in Nakhon Phanom province-had high mean scores was consistent with Inlee and Singpan's (2015) findings which reported the similar effects of the causal factors affecting the achievements of primary educational institutions.

The findings in this study pertaining to the intellectual stimulation as one of the ways to enhance the effectiveness level of the staff of LAOs in Nakhon Phanom province as a result of a high level of transformational leadership were in consistence with Sincharoen, Paai, Koolnaphado, and Tritilanut (2013) who studied the effects of a training session to enhance the level of transformational leadership of the directors of community health centers across Thailand focusing on three variables - idealized influence, inspiration stimulation, intellectual stimulation, and awareness of individual differences. The researchers found that the directors who received the training reported a high level of transformational leadership, and that the proposed causal model was excellently fitted with the empirical data. Nanthamutcha, Bao- ngeon and Kajasit (2015) also

reported the similar results of her study investigating the expected performance of the executives affiliated with the Office of Basic Education Commission that influenced the management of secondary education under the ASEAN educational declaration.

In order to improve the effectiveness of the LAOs in Nakhon Phanom province, the results in this study indicated that three dimensions of organizational culture needed to be urgently emphasized: adaptability culture, mission-oriented culture. These findings showed quite good congruence with the study by Na Ayuthaya (2013) which reported that the staff members of local municipalities were to be transparent, accountable, and co-responsible in an implementation of any public services with the emphasis on unity culture and mission-oriented culture. In the same vein, Punthai (2009) reported the direct effects of transformational leadership, adaptability culture in a workplace, training activities, and self-development activities on job performance of state enterprise employees, highlighting the transformational leadership as being the strongest factor, followed training activities, and adaptability- oriented work culture.

In the realm of the good governance of LAOs in Nakhon Phanom province, accountability and cost-effectiveness were the main focuses to be enhanced. And these findings were in line with Pornpontham (2014) who found that in implementing the rule of law, integrity, transparency, involvement culture, adaptability culture, and mission-oriented culture for the sake of effective job performance of the staff of LAOs in Thailand, transparency needed to be stressed.

In the realm of ways to enhance the level of transformational leadership, the results of this study suggested that the LAOs in Nakhon Phanom province needed to focus more on intellectual stimulation, adaptability culture, mission-oriented culture, accountability, and cost-effectiveness. In this regard, Bass (1993) posited that transformational leadership was vital in the development of an organization. In like manner, Denison (2003) affirmed that with adaptability culture, mission-oriented culture, and involvement culture, an organization is sure to be effectively administered, and eventually, World Bank (2004) attributed the effectiveness of the financial stability of an organization to the principles of accountability and cost- effectiveness.

Conclusion

The results were as follows:

1. Transformational leadership, organizational culture, good governance, and effectiveness of the LAOs in Nakhon Phanom province were at a high level.

2. Transformational leadership, organizational culture, and good governance had the direct effects on the effectiveness of the LAOs, the variables with indirect effects were transformational leadership and organizational culture, and the proposed structural equation model comprising four factors-transformational leadership, organizational culture, good governance, and effectiveness of the LAOs in Nakhon Phanom province-had goodness of fit with the empirical data.

3. Transformational leadership could be enhanced through intellectual stimulation, organizational culture through adaptability and mission-oriented cultures, and good governance through accountability and cost-effectiveness. The three causal factors could account for 33 per cent of the effectiveness of the LAOs in Nakhon Phanom province.

Recommendations

1. Local administrative organizations should make their business to enhance the level of transformational leadership among their staff members, particularly executive staff, by emphasizing intellectual stimulation. This can be achieved by integrating a variety of information with action plans for the sake of the best performance of their due duties.

2. LAOs should encourage their staff of all levels to adapt themselves to the fast-changing environment both within and outside of their organizations in order to enhance the level of adaptability and mission-oriented cultures.

3. The dimensions of accountability and cost-effective of the good governance should be enhanced by means of putting a more emphasis on enthusiastic performance of duties on the part of the LAOs staff, and the cost-effective use of the state resources.

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