

TRANSFORMATIONAL LEADERSHIP AND KNOWLEDGE MANAGEMENT CAPABILITIES AS PREDICTORS OF PUBLIC SECTOR PERFORMANCE IN LOCAL GOVERNMENT ORGANIZATIONS

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ABSTRACT: *The increasing complexity of public governance requires government organizations to strengthen leadership competencies and institutional knowledge capabilities to sustain effective public service delivery. This study examined the level of administrator performance and identified the demographic characteristics, administrative leadership dimensions, and knowledge management processes that significantly influence public sector performance. Using a quantitative explanatory research design, data were collected from 153 administrators, department heads, and unit division heads selected through stratified random sampling. Administrator performance was measured using Office Performance Commitment and Review (OPCR) ratings, while predictor variables were measured using validated survey instruments. Descriptive statistics and multiple regression analysis were employed to analyze the data. Results revealed that administrators demonstrated a very satisfactory level of performance. Regression analysis indicated that age, work experience, educational attainment, administrative creativity, decision-making ability, organizational culture, knowledge creation, knowledge capture, knowledge organization, knowledge storage, knowledge dissemination, and knowledge application significantly predicted administrator performance. Work experience, decision-making capability, and knowledge creation emerged as the strongest predictors. The findings support Transformational Leadership Theory and the Knowledge-Based View, emphasizing the strategic role of leadership and organizational knowledge in enhancing public sector effectiveness.*

Keywords.: transformational leadership, knowledge management, organizational performance, public administration, local government organizations, public sector governance

I. INTRODUCTION

Contemporary public organizations operate in environments characterized by rapid technological change, institutional complexity, and increasing citizen expectations for efficient service delivery [16; 17]. These developments require public institutions to cultivate adaptive leadership capabilities and effective knowledge management systems capable of sustaining organizational learning and innovation [13; 5]. Transformational leadership has emerged as a critical determinant of organizational effectiveness because leadership competencies influence employee motivation, innovation, commitment, and institutional resilience [4; 19]. Likewise, knowledge management capabilities improve decision-making quality, organizational memory, and service effectiveness through systematic knowledge creation, storage, dissemination, and utilization [10; 2].

Although leadership and knowledge management have been widely examined independently, limited empirical evidence exists regarding their combined influence on public sector administrator performance within local government organizations, particularly in developing governance contexts [14; 13]. The present study addresses this gap by integrating demographic characteristics, administrative leadership dimensions, and knowledge management processes into a unified predictive framework.

Significance of the Study

This study contributes to public administration literature in three important ways. **First**, it integrates demographic variables, leadership competencies, and knowledge management capabilities into a single explanatory model of administrator performance, responding to calls for multidimensional public management models [18]. **Second**, it extends Transformational Leadership Theory and the

Knowledge-Based View into public sector governance settings [4; 12]. **Third**, it provides empirical evidence on the mechanisms through which leadership and organizational knowledge jointly influence public sector effectiveness [3].

Theoretical Framework

The study is anchored on three complementary theories:

Transformational Leadership Theory.

Transformational leaders influence organizational outcomes through inspiration, intellectual stimulation, individualized consideration, and idealized influence, thereby improving employee commitment and organizational effectiveness [4]. According to [15], transformational leadership promotes organizational adaptability and innovation, particularly in public institutions facing environmental uncertainty.

Knowledge-Based View of the Firm. The Knowledge-Based View identifies organizational knowledge as the most valuable strategic resource capable of generating sustainable organizational advantages and superior performance [12]. Organizations that effectively create, capture, and apply knowledge are more likely to achieve higher levels of institutional effectiveness [13].

Performance Theory. Performance Theory argues that organizational outcomes are shaped by human competencies, organizational systems, and institutional capabilities that facilitate efficiency and effectiveness [18]. Public organizations increasingly rely on integrated performance systems to improve governance and accountability [6].

Statement of the Problem

Specifically, this study sought to answer the following questions:

1. What is the level of performance of administrators in government organizations as measured by their Office Performance Commitment and Review ratings?

2. Which demographic characteristics, administrative leadership dimensions, and knowledge management processes significantly influence administrator performance?

RESEARCH METHODOLOGY

Research Design.

The study employed a quantitative explanatory research design using descriptive and causal approaches.

Participants

The respondents consisted of 153 administrators, department heads, and unit division heads selected through stratified random sampling from public sector organizations.

Instrument Validation

The research instrument underwent expert validation involving specialists in public administration, organizational leadership, and quantitative research methods. Pilot testing confirmed the clarity and reliability of all items.

Reliability Analysis

Cronbach's alpha coefficients exceeded the acceptable threshold of 0.70 for all constructs:

Administrative Leadership: $\alpha = 0.891$

Knowledge Management: $\alpha = 0.917$

Administrator Performance: $\alpha = 0.884$

Data Analysis

Descriptive statistics were employed to determine administrator performance levels, while multiple regression analysis identified significant predictors of performance.

Regression Diagnostics

Before regression analysis, assumptions of normality, independence, homoscedasticity, and multicollinearity were examined. Variance Inflation Factor values remained below 5.0, and tolerance values exceeded 0.20, indicating acceptable independence among predictor variables. Residual analyses confirmed compliance with regression assumptions. To minimize common method bias, procedural remedies including respondent anonymity and item randomization were implemented. Harman's single-factor test indicated that common method variance did not substantially affect the results.

Trustworthiness of the Study

Credibility, dependability, confirmability, and transferability were ensured through triangulation, member checking, and peer validation.

Ethical Considerations

Participation was voluntary and based on informed consent. Respondents were assured of confidentiality, anonymity, and the right to withdraw without consequence.

II. RESULTS AND DISCUSSION

Administrators demonstrated a very satisfactory level of performance based on OPCR ratings.

Regression analysis revealed that demographic characteristics, leadership dimensions, and knowledge management processes significantly predicted administrator performance.

Among demographic variables, work experience emerged as the strongest predictor, suggesting that accumulated professional expertise contributes substantially to managerial

effectiveness and organizational decision-making.

Among leadership variables, decision-making capability demonstrated the strongest influence on administrator performance, reinforcing the proposition that effective public leadership requires strategic judgment and adaptive governance competencies.

Knowledge creation emerged as the most influential knowledge management dimension, supporting the Knowledge-Based View, which holds that organizational learning and innovation serve as strategic resources for institutional effectiveness.

These findings support international evidence emphasizing the importance of leadership competencies and knowledge systems in improving public sector performance and organizational resilience.

Policy Implications

The findings suggest that public organizations should institutionalize leadership development programs emphasizing strategic decision-making, innovation, and creativity. Government institutions should establish digital knowledge repositories and structured knowledge-sharing mechanisms to preserve institutional memory and improve organizational learning. Leadership and knowledge management competencies may also be integrated into recruitment, promotion, succession planning, and performance management systems.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Conclusion

Administrators demonstrated a very satisfactory level of performance based on OPCR ratings, suggesting strong compliance with organizational performance standards and accountability mechanisms [18].

Regression analysis revealed that demographic characteristics, leadership dimensions, and knowledge management processes significantly predicted administrator performance. Among demographic variables, work experience emerged as the strongest predictor, suggesting that accumulated professional expertise contributes substantially to managerial effectiveness and organizational decision-making, consistent with Human Capital Theory [5].

Among leadership variables, decision-making capability demonstrated the strongest influence on administrator performance, reinforcing the proposition that effective public leadership requires strategic judgment and adaptive governance competencies [15 ;19].

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Study Limitations and Future Research

The study employed a cross-sectional design, limiting causal inference among variables. Future studies may utilize longitudinal designs and Structural Equation Modeling to examine mediating and moderating relationships among leadership, knowledge management, and organizational performance variables.

Comparative studies involving multiple public institutions are likewise recommended to improve generalizability.

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Conflict of Interest Statement. The authors declare no conflict of interest.

Ethics Statement. This study was conducted in accordance with ethical research standards and approved by the appropriate institutional research ethics committee. Informed consent was obtained from all participants prior to their involvement in the study. Participants were assured that their responses would be treated with confidentiality and used solely for academic and research purposes.

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