

## Leadership and Organizational Performance of Telecommunication Company: an Exploratory Study of Hormuud Telecom in Somalia



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**ABSTRACT:** This study explores the relationship between leadership styles and organisational performance within the context of Hormuud Telecom, a telecommunications business in Somalia. Given the unique socio-economic, political and security instability context in the country, the study examines the influence of leadership styles, methods, and practices on the organization's overall success. This leadership style appears to correlate positively with key performance metrics such as employee satisfaction, internal and external efficiency, and customer retention.

This research seeks to provide significant insights into the dynamics of leadership in the telecoms sector by performing an in-depth investigation of Hormuud Telecom's leadership structure and its impact on several areas of organisational efficiency. Employing a qualitative study technique, the research adopted a qualitative research design incorporating secondary data and observational methodologies to gather insights and comprehend the influence of leadership styles on team leadership styles, employee satisfaction, and operational efficiency. It further examines the prominent leadership behaviours seen at Hormuud Telecom and establishes a relationship between these practices and qualitative improvements in organisational performance.

The findings indicate a strong correlation between transformative leadership increased employee engagement and improved performance indicators. Similarly emphasises the significance of adaptive leadership in the swiftly evolving telecom industry like in Somalia, indicating that effective leadership plays a crucial role in enhancing organisational performance under demanding economic and operational conditions. This research enhances the overall discussion on leadership in developing economies and provides practical knowledge for firms functioning in comparable situations.

**KEYWORDS:** Leadership Styles, Organizational performance, Telecommunication Industry, Hormuud Telecom, Somalia

### 1. INTRODUCTION

Leadership is an essential component in guiding organisations towards success and a component in determining the level of performance achieved by an organisation, particularly in the quickly developing field of telecommunications such as in Somalia's fast-developing telecommunications industry, which is characterised by rapid change. One of the most important factors that determines the performance and success of an organisation is its leadership, and this is especially true in the highly competitive and dynamic information and communications sector. In Somalia, where the telecommunications industry has been quickly expanding and developing, businesses such as Hormuud Telecom must have a solid grasp of the influence that leadership has on the success of their organisations. At its headquarters in Mogadishu, Somalia, Hormuud Telecom Somalia Inc. is a privately owned corporation that operates in the field of telecommunications. The firm is not only the biggest private-sector employer in the country but also the largest telecommunications company in the country. Furthermore, it is the first private enterprise in Somalia to get worldwide ISO certification. The organisation provides a wide range of services, one of which is a mobile money transfer service (*Hormuud Telecom*, 2024).

The communications business in Somalia has faced significant challenges as a result of the country's political instability and turbulent history as a result of several decades of instability and lack of central government (Bade, 2024). Nevertheless, Hormuud

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Telecom has successfully overcome the obstacles and established itself as a frontrunner in the field. The company's excellent leadership has played a crucial role in driving its development and performance, leading to its success. Given the prevailing technology improvements and market competitiveness in Somalia's communications industry, adaptable leadership may be very advantageous. Adaptive leaders possess the ability to adapt and respond to change, allowing their organisations to successfully traverse problems and take advantage of opportunities. Adaptive leaders possess distinct attributes and talents that allow them to successfully traverse complex, unpredictable, and swiftly evolving contexts. Leadership for organisations such as Hormuud Telecom's adaptability is centred on facilitating the process of adaptation inside organisations. According to Uhl-Bien & Arena (2018), the adaptive process involves effectively managing the conflict between the need to innovate and the imperative to generate tangible outcomes. This phenomenon arises when entrepreneurial leaders propose novel ideas that are incongruent with the existing operational structure. These ideas may be challenging to execute, involve substantial costs, or need resources that are presently unavailable to the organisation acknowledging the fact that intricate issues need a range of different viewpoints, leaders who are adaptable cultivate an environment that promotes cooperation. They place importance on many perspectives and foster an environment of open communication, resulting in the generation of more inventive ideas. These leaders exhibit proactive behaviour by predicting changes and effectively preparing their organisations to adapt to resilience. Hormuud Telecom has an exceptional ability to recover from setbacks and retain an optimistic perspective. Their ability to bounce back from adversity instils a sense of assurance and determination in their teams, particularly in difficult circumstances. Leaders may promote sustainable development and gain a competitive edge by cultivating a culture of adaptation and innovation within Hormuud Telecom.

### **1.1 Background of Hormuud Telecom**

Hormuud Telecom in Somalia established its business in 2002 and has since grown to become the most prominent supplier of telecommunications services in the country with an estimated of 3.6 million subscribers (Gedi, 2022). It now serves millions of consumers throughout the nation. Hormuud has made a substantial contribution to the digital transformation and economic growth of Somalia by providing a broad array of services. These services include mobile, internet, and mobile money services, amongst others. A significant portion of the company's development trajectory may be attributed to the strategic leadership choices that it has made, which have enabled it to successfully traverse the intricate socio-political terrain of Somalia. The capacity of Hormuud's leadership to see the big picture and put it into action is shown by the company's demonstrated dedication to innovation, community involvement, and resilience in the face of adversities. Hormuud Telecom offers a wide range of services including mobile phone services, internet connectivity, and other communication solutions to both individual consumers and businesses (Hashi et al., 2024). In Somalia, telecommunication companies like Hormuud Telecom have been crucial in bridging the communication gap caused by years of conflict and instability in the country. These companies have not only provided essential communication services but have also contributed to the economic development of Somalia by creating job opportunities and driving innovation in the sector.

The complicated security situation in Somalia, along with the country's poor infrastructure, presents a unique set of obstacles for the country's telecommunications providers making it difficult for organisations to establish a culture of open communication (Mohamed et al., 2024). However, despite these obstacles, businesses such as Hormuud Telecom have continued to make investments in the expansion of their networks and the improvement of the quality of their services to satisfy the rising demand for communication services in the nation. From a broader perspective, telecommunications firms such as Hormuud Telecom play a significant part in linking individuals, enterprises, and communities in Somalia, hence contributing to the country's social development and economic expansion.

### **1.2. Research Gap**

Although there have been many studies conducted on several areas of employee performance, there is a significant gap in understanding the particular factors and dynamics that influence employee performance in the telecommunications business. Although there have been many studies on the broad elements that affect employee performance in many sectors, there has been little study specifically focused on understanding the specific problems and motivators inside telecommunications organisations. An area that requires more research is the influence of rapidly advancing technology, such as the installation of 5G and 6G digital transformation, on the performance of employees in telecommunications organisations. Technological improvements result in changes in employment responsibilities, skill prerequisites, and work procedures, potentially affecting employee performance (Smith & Jones, 2019). It is essential to comprehend how personnel adjust to and manage these changes to evaluate the overall performance in the telecommunications business.

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Furthermore, the research on employee performance lacks sufficient exploration of the organisational culture and leadership styles that are unique to telecommunications businesses. The telecommunications business, known for its rapid and ever-changing nature, may need distinctive leadership strategies and organisational cultures to promote employee engagement and productivity (Brown et al., 2021). Examining the relationship between leadership practices, organisational culture, and employee performance is crucial for obtaining a thorough understanding of the aspects that impact performance in telecommunications organisations in Somalia.

Moreover, while research on employee performance often focuses on elements at the individual level, there is a need for studies that investigate the impact of team dynamics and cooperation in telecommunications organisations. According to Ding et al. (2024), this research substantiates the mediating function, which often focuses on enhancing the performance of communication, since it affords extra time to rectify or optimise certain aspects of the communication process. Due to the intricate and interrelated nature of jobs in the telecommunications industry and several challenges, the telecommunications sector in Somalia has several substantial obstacles that hinder its expansion and efficiency. The obstacles arise from a range of reasons, such as the country's political instability, economic constraints, insufficient security, technical challenges and infrastructure inadequacies. The Somali telecommunications business has substantial prospects, propelled by a youthful and more technology-literate population, as well as the rapid integration of mobile technologies. Efficiently tackling these glitches might bolster stronger economic growth and contribute to wider social advantages. The crucial challenges of insecurity, it is crucial to investigate the impact of teamwork and cooperation on employee performance (Johnson & Wang, 2020). Earlier research on how leadership affects enhancing organizational performance in the telecommunication sector has yielded inconsistent results. A number indicates that achieving a high-performance level within the sector is contingent upon the leadership position. Nonetheless, other research shows that the leadership role might not have a major influence on attaining organizational success (Munga et al., 2021).

Overall, the existing research on employee performance in telecom businesses lacks in-depth analysis of industry-specific aspects such as the influence of technology breakthroughs, organisational culture, leadership styles, and workgroup dynamics in Somalia. By addressing these gaps, we may enhance our academic knowledge of employee performance and get valuable insights for enhancing performance management techniques in telecom organisations in the country.

## **2. LITERATURE REVIEW**

Leadership is essential in influencing the performance and achievements of organisations in many sectors, such as the telecommunications industry. Comprehending the influence of leadership on organisational performance is crucial for sustained development and competitiveness in the telecommunications sector of Somalia. According to Fang (2024), the telecommunications industry, which is essential to contemporary economies, societal growth and national development in the country has a substantial impact on several organisational elements, including culture, leadership styles, and staff training. These components are essential for influencing employee performance and a significant contribution has been made by the telecommunications industry which occupies crucial positions in the process of determining employee performance inside Hormuud Telecom. The organisational culture within Hormuud Telecom encompasses the collective values, beliefs, and conventions that shape the conduct and customs of individuals inside an organisation. In the field of telecommunications, where there are frequent and fast advancements in technology, fostering a culture that encourages flexibility, learning, and cooperation may greatly improve employee performance. Hence Organisational culture has a significant impact on the conduct of individuals inside the organisation, shaping their behaviour by instilling common values (Malik et al., 2024). Consequently, telecommunication companies cultivate a cultural climate that is open, inventive, and inclusive which are more likely to retain greater levels of employee engagement and satisfaction. These factors are directly connected to enhanced levels of productivity and improved service delivery in the sector. Any telecommunication industry that wants to live and thrive, and via enhancing performance, must hope to extend its expansion in the industry, hence, strengthening its ability to meet the expectations of the intensely competitive markets. Effective leadership is often associated with improved organizational performance, as leaders are responsible for setting strategic direction, motivating employees, and ensuring efficient operations. In the telecommunications industry, where technological advancements and market dynamics constantly evolve, strong leadership becomes even more critical.

Similarly, effective leadership in telecommunications is transformational leadership, known for its ability to inspire and motivate colleagues towards a shared goal, and is especially successful in fast-paced industries such as telecommunications. This approach promotes a culture focused on achieving high performance by fostering innovation and ongoing improvement. Transformational leaders are distinguished by their capacity to prioritise the common interest and strive towards positive change, eventually guiding others via the use of inspirational vision and motivating communication (Hamdan et al., 2024). In essence, transformational

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leaders are powerful personalities who motivate their followers to go beyond their own personal interests for the sake of the telecommunications industry. This ultimately results in amazing outcomes and improved performance for the group or organisation. Research by Faig (2024), transformational leadership is an innovative and forward-thinking concept that aims to bring about significant change and progress that encompasses qualities such as charm, intellectual stimulation, and individualised concern.

Furthermore, research has examined the impact of transactional leadership on organisational performance. It has been shown that transactional leaders prioritise contingent incentives and management by exception as strategies to ensure operational efficiency and attain immediate objectives. Although transactional leadership may be helpful in some circumstances, its influence on the long-term performance of organisations in dynamic industries such as telecommunications requires more investigation. Nguyen (2024), posits that transactional leadership behaviours have a good impact on determining the organization's future direction over an extended period of time by fostering a positive work culture and enhancing employee engagement that cannot be overlooked.

Overall, this literature review underscores the significance of leadership in shaping organizational performance within telecommunication companies like Hormuud Telecom in Somalia. By examining different leadership styles, behaviours, and situational factors, researchers can gain insights into how effective leadership practices contribute to sustainable growth and competitive advantage in this dynamic industry.

### 2.1 Leadership Theories

The research and study of leadership ideas and their influence on organisations' performance has attracted considerable interest in many industries worldwide. It is crucial to comprehend the impact of leadership on the telecommunications business, specifically in organisations like Hormuud Telecom, inside the distinctive economic and social issues faced by Somalia. Leadership theories have a significant impact on the organisational success of industries, particularly those in the telecommunications industry. For an industry like Hormuud Telecom operating in Somalia's fast-developing and changing telecoms sector, understanding the influence of leadership theories on organisational success is crucial. This research seeks to explore the impact of several leadership theories on the organisational performance of Hormuud Telecom in Somalia. This paper synthesizes existing research on leadership theories and examines their application and effectiveness within the telecommunications sector in Somalia.

- a. **Transformational Leadership:** - Emphasizes visionary thinking and fostering a change-oriented environment. It is one of the key leadership theories that can significantly impact organizational performance like Hormuud Telecom in Somalia. Schiuma et al. (2024), postulated that transformational leaders inspire and motivate their followers to achieve higher levels of performance by fostering a shared vision, promoting innovation, and encouraging individual growth and development. In the case of Hormuud Telecom, a transformational leader at the helm can drive innovation, improve employee morale, and enhance overall organizational effectiveness.
- **Relevance:** Particularly effective in volatile environments where innovation is crucial for survival and growth.
- **Impact on Performance:** Studies indicate that transformational leadership is linked to increased employee morale, empathetic and emotional intelligence, innovation, and adaptation to change, which are vital in the telecommunications industry. The ability to communicate effectively is characterised by the idea of bringing transformation and change within individuals and organizations. There is a positive correlation between transformational leadership style that encourages leaders to have a clear vision and to inspire and motivate their team members to work towards achieving that vision through customer satisfaction, and trust. This type of leader is not just concerned with achieving goals and targets, but also with developing their team members into better versions of themselves.

**Figure 1 graphically shows the connection between transformational leadership and Hormuud Telecom.**



**Figure 1:** Transformational leadership at Hormuud Telecom, Somalia characterised by traits such as charm, enthusiasm, openness, sincerity, honesty, and flexibility. This allows for creativity and innovation to thrive within the organization, leading to better problem-solving and decision-making. Similarly, these attributes assist leaders in motivating employees to accept risks and think outside the box by encouraging their team members to do the same and be open to new ideas and innovations.

**b. Transactional Leadership:** - Focuses on routine, contingent rewards regimented activities, and rewards or penalties to manage performance. Senthamizh Sankar & Anandh (2024) posit that transactional leaders set clear expectations, provide feedback on performance, and reward or discipline employees based on their achievements. A leader inspires and encourages people to embrace cultures that have well-defined objectives and incentives. While transactional leadership can be effective in certain situations, such as maintaining stability and ensuring compliance with rules and procedures, its impact on long-term organizational performance may be limited compared to transformational leadership.

- **Relevance:** Useful in environments with established procedures and when tasks are clear-cut and require consistency.
- **Impact on Performance:** While effective in achieving short-term goals, it may not sufficiently drive innovation or long-term change. These leaders are particularly focused on determining the standards for compensating team members for their excellent performance. This is known as 'Contingent Reward,' such as praise. Team members are incentivized for their endeavours, such as accomplishing predetermined objectives within the specified timeframe, or for their adeptness in managing challenging circumstances. Ngatia (2024) postulated that the study of transactional leadership is to identify any deficiencies, as well as give a theoretical framework for understanding new developments which dependent on reward.

**Figure 2** explicitly reveals that transactional leaders get their influence from their official authority and the extent of their responsibilities inside the organization like Hormuud Telecom.



**Figure 2** depicts that the notion is derived from 'quid pro quo,' which translates as 'anything for something.' In this leadership style, the leader establishes unambiguous expectations and objectives for the team and provides incentives or penalties

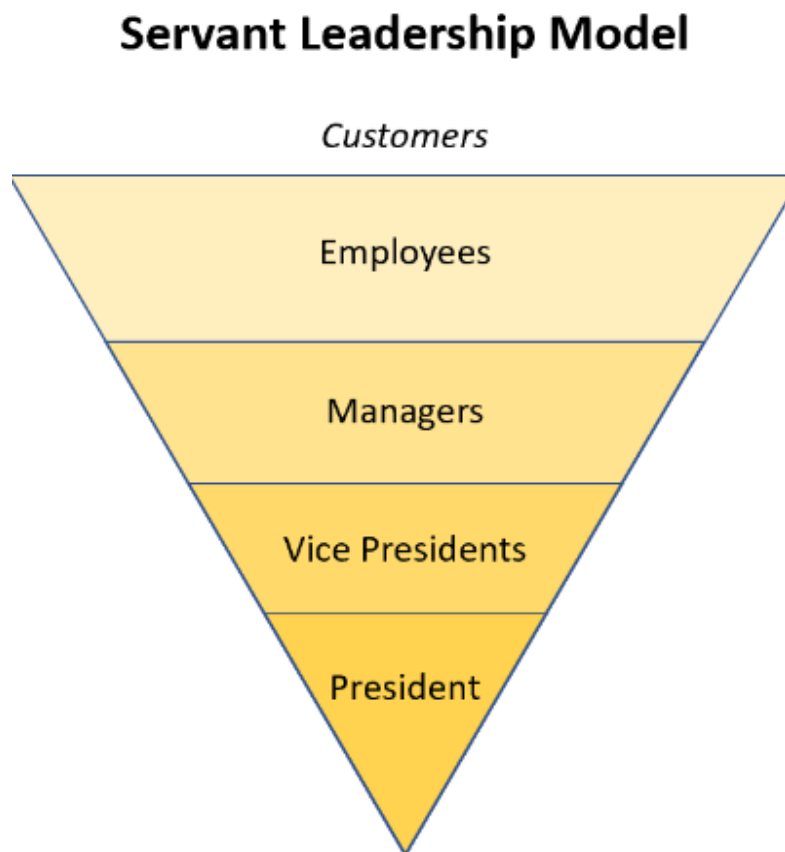
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depending on their performance. The leader inspires and encourages the team members by offering them incentives, acknowledgements, and concrete prizes for achieving or surpassing their goals. Additionally, the leader is responsible for ensuring that team members are held responsible for their activities and may administer penalties if they fail to fulfil expectations whether they are active or passive.

**c. Servant Leadership:** - Prioritizes the growth and well-being of people and the communities to which they belong. Therefore, servant leadership emphasizes serving others first and prioritizing the needs of employees and stakeholders. Servant leaders focus on empowering their teams, fostering a culture of trust and collaboration, and promoting ethical decision-making. Athanasios (2024) made a collaborative knowledge generation, and decision-making, and concentrated on the fact servant leadership is about growth and well-being that should be spread out throughout all individuals and groups involved for the progression and strengthening of the members in an industry. By embracing servant leadership principles, Hormuud Telecom can cultivate a supportive work environment, build strong relationships with customers, and drive sustainable business growth.

- **Relevance:** Can be particularly effective in cultures that value community and collective success.
- **Impact on Performance:** Promotes a strong organizational culture with high employee engagement and loyalty, leading to better customer service and organizational performance.

Figure 3 reveals the leader collaborates with their team members, fostering a culture of fairness and mutual respect. This methodology promotes transparent communication, cooperation, and a feeling of inclusivity among team members.



**Figure 3:** depicts the **Servant leadership hierarchy** is a leadership philosophy that emphasizes serving others first and prioritizing their needs to facilitate personal growth and development. As shown above, leaders act as servants first, focusing on the well-being of their followers and empowering them to reach their full potential. By adopting servant leadership principles, Hormuud Telecom will have the leader at the bottom, supporting and serving the needs of their team members who are positioned above them in the Telecom company. This approach aims to create a collaborative and supportive work environment where individuals feel valued and motivated to contribute to Hormuud Telecom's success.

**d. Situational Leadership:** - Proposes that leaders should adapt their style to the competence and commitment levels of the employees. The situational leadership model developed by Paul Hersey and Ken Blanchard explains the dynamics of leadership in different situations (Matinul Haq & Roesminingsih, 2024). Situational leadership is a widely recognised leadership concept that highlights the need for leaders to adjust their approach according to the preparedness and development of their followers.



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Situational leadership may significantly impact the success and attainment of strategic goals of telecommunication firms in Somalia, within the framework of organisational performance. According to Ibikunle et al. (2023), the situational leadership theory highlights the need to align leadership styles with the preparedness and maturity levels of followers. Therefore, Hormuud Telecom operates in a dynamic and challenging environment characterized by political instability, security concerns, and technological advancements. In such a context, effective leadership is essential for navigating uncertainties and driving growth. Situational leadership theory posits that leaders should adjust their leadership style based on the specific situation they are facing and the capabilities of their team members. By adopting a flexible approach to leadership, organizations can better respond to changing circumstances and leverage opportunities for innovation and growth.

- **Relevance:** This flexibility is crucial in Somalia's dynamic market, where companies must rapidly adapt to changes.
- **Impact on Performance:** Enhances the ability of organizations to respond to dynamic market conditions with appropriate leadership styles.

**Figure 4:** the table below explains that Situational Leadership posits that there is no one optimal leadership style. Effective leaders possess the ability to adapt their leadership style based on the specific job and the preparedness of their followers. The model advocates that there are four leadership styles: directing, coaching, supporting, and delegating, which should be applied depending on the follower's competence and commitment levels.

Adopting situational leadership concepts at Hormuud Telecom may optimise communication, promote employee engagement, and ultimately bolster organisational performance. This approach acknowledges the absence of a universally applicable leadership style and emphasises the need of leaders to adapt their behaviour to accommodate the requirements of their team members and the circumstances they face.



**Figure 4** illustrates situational leadership at Hormuud Telecom has the potential to contribute to the development of an organisational culture that is more dynamic and responsive. This culture would make it possible for leaders to assist their team members in accomplishing their objectives while simultaneously propelling the firm towards success by supporting, coaching, delegating and directing them for the realization of Telecom's vision and goals.

### 2.2 Theoretical Framework

The theoretical framework for organisational performance in telecommunication firms in Somalia, specifically focusing on Hormuud Telecom, entails analysing the multitude of elements that impact the company's operational efficiency and effectiveness. This research seeks to investigate the influence of organisational structures, leadership styles, technology breakthroughs, regulatory frameworks, and external environmental variables on the overall performance of telecommunication

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firms in Somalia. Through the analysis of these components, researchers may get valuable knowledge about the tactics that can be used to improve the performance and competitiveness of organisations in the telecommunications sector.

An essential component of the theoretical framework is the arrangement of an organisation, known as its organisational structure. The organisational structure of a firm delineates the allocation, coordination, and regulation of duties within the organisation. Within the realm of communications firms such as Hormuud Telecom in Somalia, a well-designed organisational structure may enhance efficiency, optimise communication pathways, and expedite decision-making procedures. Through the examination of various organisational structures and their influence on performance results, researchers may ascertain optimal strategies that organisations might use to improve their operational efficiency.

Another critical factor is leadership style. The leadership within a telecommunication company plays a crucial role in setting strategic direction, motivating employees, and fostering a culture of innovation. Ly & Ly (2024) posit that different leadership styles such as transformational, transactional, or servant leadership can have varying effects on employee morale, productivity, and overall performance. The power of inspiration, motivation, and personalised attention are the impetus for employee performance. By understanding the relationship between leadership styles and organizational performance can provide valuable insights into how leaders can effectively drive success within telecommunication companies in Somalia.

Technological improvements have a substantial impact on the functioning of communications firms. To remain competitive in the market, organisations like Hormuud Telecom must constantly innovate due to the fast progress in technology, including 5G networks, the Internet of Things (IoT), artificial intelligence (AI), and big data analytics. By using state-of-the-art technology such as the Internet Tools and technology that may assist manufacturers in maximising their efficiency and effectiveness. Optimise manufacturing processes and improve the efficiency of telecommunication firms that attain better levels of performance by efficiently using advanced technology to improve service delivery, increase customer experience, and optimise internal procedures (Rath et al., 2024).

Furthermore, the activities of telecommunication businesses in Somalia are significantly influenced by legal frameworks and external environmental conditions. Adhering to local legislation that regulate telecommunications services is crucial for assuring legal compliance and maintaining public confidence. Moreover, telecommunication firms may be affected by external variables such as the stability of the political environment, economic circumstances, social trends, and the competitive landscape, which can impact their overall success. Through the examination of these external factors using a theoretical framework, researchers may formulate tactics to reduce risks and take advantage of chances for expansion.

Significantly, a thorough examination of the theoretical framework for organisational performance in telecommunication companies such as Hormuud Telecom in Somalia necessitates a comprehensive evaluation of factors such as organisational structure, leadership styles, technological advancements, regulatory frameworks, and external environmental influences. Researchers may get significant insights into the telecommunications business in Somalia by studying the interactions and influences of these variables. This knowledge can then be used to support strategic decision-making processes aimed at improving organisational performance.

### 3. METHODOLOGICAL APPROACH

The communications industry in Somalia has seen substantial expansion and change over time, with the Telecom industry like Hormuud Telecom emerging as prominent providers of communication services to the populace. Comprehending the analytical approach used to evaluate the performance of telecommunication businesses is crucial for analysing their efficacy and influence on the economy and society. The study uses an exploratory research approach which exclusively relies on secondary data. This approach is used to examine the impact of leadership on organisational performance measures without the need to collect primary data, therefore reducing disturbances in the company's activities. Exploratory research is a methodological approach used to study research problems that have not been thoroughly examined like the telecommunication businesses. Cooper (2023), this study is exploratory in nature, with the purpose of documenting the findings on the performance of the telecom industry.

It is often characterised by its qualitative and primary nature, however, in this paper particularly, it is beneficial when investigating novel issues and may assist in developing well-defined hypotheses and problem statements. Systematically searching, evaluating, and aggregating data from the identified sources constitutes the procedure. A catalogue of secondary data was compiled for each source, including information regarding its provenance, publication date, and pertinence to the research objectives. Data were gathered from the following types of sources:

- i. **Industry Reports:** Telecommunications industry reports from reputable market research firms and international telecommunications bodies.



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- ii. **Company Records:** Publicly available reports from Hormuud Telecom, including annual reports, financial statements, sustainability reports, and press releases.
- iii. **Academic Journals:** Peer-reviewed articles that have studied leadership impacts within the telecommunications sector or similar industries.
- iv. **Government and Regulatory Publications:** Information from the Somali government and telecommunications regulatory authorities that pertain to company performance and industry standards.
- v. **News Articles:** Credible news outlets providing coverage on Hormuud Telecom and its leadership were the appropriate and reliable secondary data sources are vital for maintaining the integrity of this paper.

**3.1 Contextual Challenges:** Conducting Research in Somalia has distinct methodological obstacles owing to the country's complex socio-political terrain, continuing wars, inadequate infrastructure, and cultural factors. Some of these challenges and adaptations include:

- a. **Security Concerns:** Due to enduring violence and political instability, Somalia presents a significant challenge in terms of security, which is of utmost importance to researchers. Undertaking fieldwork in volatile regions may pose significant risks, necessitating researchers to build connections with local authorities, community leaders, or armed factions to guarantee their well-being.
- b. **Access constraints:** Researchers may have difficulties accessing rural places in Somalia due to limited infrastructure, such as inadequate road networks and communication systems. Researchers may need to collaborate with local partners or organisations to streamline logistics and get access to remote communities.
- c. **Cultural Sensitivity:** Somalia has a rich diversity of ethnic groupings and cultural customs. To establish trust with communities and uphold ethical research techniques, researchers demonstrated sensitivity to local customs, traditions, and beliefs.
- d. **Data Collection Challenges:** The scarcity of dependable data sources, such as official government statistics or scholarly publications, might hinder research endeavours in Somalia. To get pertinent information, researchers may have to depend on primary data-gathering techniques such as surveys, interviews, or focus group discussions.

To overcome these methodological obstacles, researchers conducting studies in Somalia should contemplate modifying their study design, data-collecting techniques, and ethical guidelines to align with the unique requirements of the country's setting. To conduct ethical and thorough research in Somalia, it is crucial to establish robust connections with local stakeholders, give priority to community participation, and ensure participant anonymity and informed consent.

By employing an exploratory research design and qualitative methods, this study aims to provide valuable insights into the organizational performance of telecommunication companies in Somalia, focusing on Hormuud Telecom as a case study. The findings from this research can contribute to enhancing our understanding of the factors that drive success in the telecommunication sector in Somalia and inform strategies for improving organizational performance in similar contexts.

## 4. RESULTS OF THE FINDINGS

The research conducted on the organisational performance of telecommunication businesses in Somalia, with a specific emphasis on Hormuud Telecom, revealed several significant discoveries. Initially, it was discovered that the organisational framework of Hormuud Telecom plays a pivotal role in its overall success. The success of the corporation was attributed to its hierarchical structure and well-defined allocation of tasks.

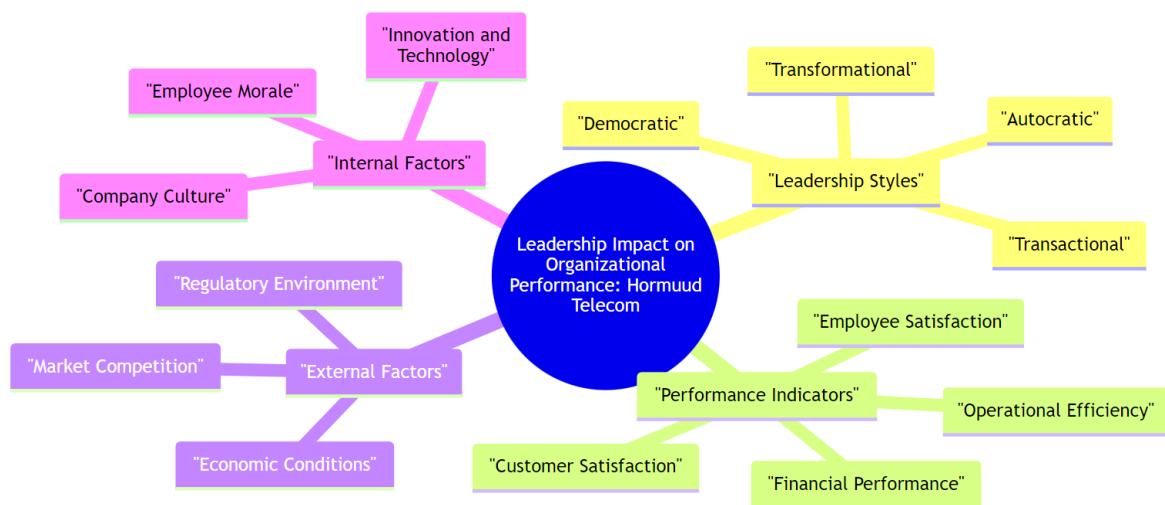
Furthermore, the research emphasised the significance of technology and innovation in improving organisational effectiveness. The strong competitive advantage of Hormuud Telecom in the market was attributed to its investment in state-of-the-art technology and ongoing innovation. Moreover, the study highlighted the need to implement effective human resources management strategies at Hormuud Telecom. The company's dedication to staff training and development, together with its focus on fostering a favourable work environment, were seen as crucial elements impacting organisational effectiveness. Furthermore, Bolatito & Mohamoud (2024) posited that providing monetary incentives, such as bonuses and salary raises, had a significant and positive effect on employee motivation, resulting in an enhancement in their performance in countries like Somalia.

Consequently, the research emphasised the significance of customer satisfaction and service quality in promoting organisational success. The emphasis placed by Hormuud Telecom on fulfilling client requirements and delivering top-notch services was determined to be crucial for retaining a dedicated customer base and ensuring sustainable long-term expansion. Similarly, the

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findings on leadership's effect on organizational performance at Hormuud Telecom, Somalia, consist of several interconnected parts as depicted in the below diagram.

**Figure 5: The diagram reveals various leadership style, performance indicators, internal and external factors and their correlation with key leadership impact indicators in the organization.**



1. **Leadership Styles:** This node branches out into different types of leadership observed within the company:
  - Autocratic
  - Democratic
  - Transformational
  - Transactional
2. **Performance Indicators:** This section outlines the key metrics used to evaluate the company's performance:
  - Customer Satisfaction
  - Employee Satisfaction
  - Operational Efficiency
  - Financial Performance
3. **External Factors:** These are external elements that might influence the company's performance:
  - Regulatory Environment
  - Market Competition
  - Economic Conditions
4. **Internal Factors:** These are internal aspects that can impact performance:
  - Company Culture
  - Employee Morale
  - Innovation and Technology

Each node represents a factor or style that contributes to understanding how leadership influences the company's overall performance, offering a structured way to dissect the complexities of organizational dynamics.

In summary, the results of this preliminary investigation indicate that a successful organisational framework, technological advancements, efficient management of human resources, and strategies focused on customer satisfaction are essential for

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improving the performance of telecommunication companies in Somalia. Hormuud Telecom stands out as a prominent illustration of these factors.

### 5. CONCLUSION

The exploratory study on the organizational performance of Hormuud Telecom in Somalia has illustrated several critical insights. Hormuud Telecom, as a leading telecommunication company in Somalia, plays a pivotal role in the socio-economic development of the region. Despite facing numerous challenges such as political instability, infrastructure deficits, and regulatory uncertainties, Hormuud has demonstrated resilience and adaptability. Just as stated by Adan et al., (2024) that, to be successful over the long run in today's quickly changing business environment like Somalia, flexibility is absolutely necessary. The organisational structure of a state firm can affect the company's ability to react to competitive demands from the outside market and to shifting economic circumstances. The company has to manage to not only sustain its operations but also to expand and innovate in its service offerings. The discoveries suggest that Hormuud Telecom has made significant strides in providing reliable and efficient telecommunication services to the people of Somalia. The company's commitment to innovation, customer satisfaction, and technological advancement have played a crucial role in its success. However, there are still areas for improvement, such as enhancing network coverage, expanding service offerings, and investing in employee training and development. Overall, the study highlights the importance of organizational performance in driving the growth and success of telecommunication companies in Somalia. The study revealed that strategic investments in technology, community engagement, and customer-centric approaches have significantly contributed to its robust performance.

#### 5.1 Summary

This study focused on evaluating the factors influencing organizational performance in the telecommunication sector of Somalia, with a specific emphasis on Hormuud Telecom. Using both qualitative and quantitative research methods, data was gathered through surveys, interviews, and company records. The analysis highlighted that effective leadership, organizational culture, and continuous innovation are integral to Hormuud's success. Additionally, Hormuud's ability to leverage local knowledge and adapt to the volatile market conditions of Somalia has been beneficial. Furthermore, the company's commitment to corporate social responsibility and infrastructure development has fostered community goodwill and enhanced its market presence. However, there are opportunities for improvement identified, including expanding network coverage, diversifying service offerings, and investing in employee training. The study underscores the significance of organizational performance in shaping the success of telecommunication companies operating in Somalia.

### 6. RECOMMENDATION

Based on the findings of the exploratory study on Hormuud Telecom in Somalia, it is recommended that telecommunication companies in the region focus on enhancing their organizational performance to drive growth and success. Companies should prioritize innovation, customer satisfaction, and technological advancement to remain competitive in the market. Additionally, investments should be made in expanding network coverage, diversifying service offerings, and providing continuous training and development opportunities for employees. By addressing these areas for improvement, telecommunication companies can further enhance their performance and better serve the telecommunications needs of the Somali population. Sequence to the findings of this study, several recommendations are proposed to further enhance the organizational performance of Hormuud Telecom:

1. **Enhanced Technological Adoption:** Continue investing in cutting-edge technology to improve service quality and network reliability. Embracing advancements in 5G, IoT, and cloud services could provide Hormuud with a competitive edge.
2. **Strengthening Regulatory Relationships:** Building stronger relationships with government and regulatory bodies can help in navigating the complex political landscape more effectively and aid in shaping policies that support growth and stability in the telecommunications sector.
3. **Expanding Market Reach:** Diversify market presence by exploring opportunities in underserved regions of Somalia. This can be achieved through tailored communication services that meet the unique needs of these communities.
4. **Focus on Customer Experience:** Enhance customer satisfaction by refining customer service operations and incorporating feedback mechanisms. Prioritizing customer experience can lead to higher retention rates and attract new subscribers.
5. **Investment in Human Capital:** Continue investing in employee training and development programs to foster a skilled and motivated workforce. This will not only improve performance but also innovate and adapt to new challenges and opportunities.

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By implementing these strategies, Hormuud Telecom can further solidify its market position, achieve sustainable growth, and continue to contribute to the development of the telecommunications infrastructure in Somalia.

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