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The Impact of Political Leadership on Organizational Culture and Civil Service in Ukraine

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Abstract

This paper empirically examines the impact of political leadership on the organizational culture and performance of civil servants in Ukraine. Of particular interest is the role of political responsibility and state ethics in bringing about organizational change through the managerial behaviors and competencies demonstrated by leaders in carrying out their duties. The study uses a balanced panel dataset covering 24 Ukrainian regions from 2015 to 2024, taking into account both post-decentralization changes and the effects of conflict. A fixed-effects model and a dynamic generalized method of moments (GMM) estimator were employed to address potential endogeneity. The findings demonstrate that political responsibility has a significant direct impact on organizational transformation, with leadership abilities and managerial styles mediating a substantial portion of the overall effect. The dynamic models demonstrate the

continuous evolution of organizations and highlight the persistence of these changes over time. The study suggests that transformational leadership may initiate strategic implementation processes, particularly during times of crisis, when supported by ethical governance standards. The findings emphasize the need to implement systemic reform programs that strengthen political accountability frameworks and support leadership development. To establish a robust, European-oriented public service capable of sustaining the pace of reforms during periods of crisis and reconstruction, Ukrainian authorities should prioritize the institutionalization of transparent governance structures and competency-based training programs.

Keywords: political responsibility, organizational transformation, leadership competencies, state ethics, Ukrainian civil service reform

1. INTRODUCTION

Inefficiencies and corruption continue to affect public administration systems worldwide and constitute significant barriers to the implementation of substantive reforms. In Ukraine, these systemic gaps have widened the divide between reform aspirations and actual outcomes. The public sector has traditionally experienced bureaucratic stagnation and rent-seeking behavior, which have undermined economic development and public confidence [1]. The full-scale Russian invasion of Ukraine in February 2022 greatly exacerbated these existing weaknesses by disrupting administrative capacity, reallocating public resources toward emergency governance, and placing unprecedented pressure on civil service performance and accountability mechanisms [2]. In such an environment, both the principle of political responsibility, understood as the responsibility of officials for their actions and decisions, and state ethics, defined by established norms of social conduct, have become critical tools for governing the state during wartime transformations and its subsequent post-conflict reconstruction [3]. The need to build leadership competencies that enable public officials to develop, select, and implement effective management strategies is therefore critical for the functioning of the state. This need is further reinforced by Ukraine's stated plans to join the European Union, because progress toward membership will require a substantial restructuring of the country's civil service and its administrative practices in accordance with established European standards [4, 5].

In this study, the variables, or core concepts, are political responsibility and state ethics, which are treated as the independent variables, while organizational transformation within the civil service is treated as the dependent variable. Political responsibility plays an essential role as an operational mechanism that ensures that leadership actions align with public rather than personal interests [6]. It functions as an important practical driver through which formal rules, legal requirements, and institutional expectations are translated into responsible forms of governance in everyday administrative practice. At the same time, state ethics can provide the normative framework that governs administrative behavior, directs the conduct of public officials, and prevents established procedural norms from being violated in order to advance personal interests [7, 8]. The dependent research variable, organizational transformation, refers to substantial changes in the organizational culture, processes, and performance of public institutions. Ideally, such transformation cannot be sustained without the two key pillars of accountability and ethics, which create the much-needed environment of trust and legitimacy upon which meaningful change is based [9].

Modern academic research has increasingly examined the complexities that arise in public administration during periods of crisis. For example, adaptive governance has been studied in the context of armed conflict and in relation to the connection between decentralization and local resilience in Ukraine [10]. Other studies have provided useful cross-sectional findings concerning the absence or weakness of ethical standards within Eastern European bureaucracies and public administrative institutions [11]. However, a major methodological limitation remains: there is still insufficient empirical evidence reflecting the dynamic and interdependent relationships among political responsibility, state ethics, leadership competencies, management strategies, and organizational change over time [12, 13]. This methodological gap is especially noticeable in panel-data research on Eastern European countries, as the vast majority of existing studies are qualitative or cross-sectional in nature and are therefore unable to establish causal processes or trace paths of institutional development. The ten-year decentralization reform process implemented in Ukraine from 2014 to 2024 represents a relevant case in which weak political responsibility and compromised state ethics are thought to have hindered significant organizational transformation; nevertheless, this relationship has not yet been examined through a longitudinal study.

Previous research has certain limitations that the present study seeks to address. For example, Malik [14] provides a qualitative evaluation of the concept of decentralization but does not present a quantitative model of political responsibility as a motivating factor. The present study differs from that approach by using a balanced panel dataset to statistically test how measurable indicators of accountability influence the observed outcomes of reform over time. Similarly, Basna and Gugushvili [15] provide a valuable cross-national comparison of corruption, but their cross-sectional study does not permit the observation of within-country changes over an important period of time. The present research is distinguished by its use of a fixed-effects panel model that absorbs time-invariant regional heterogeneity, thereby isolating the temporal effects of the key variables. Moreover, Vakulenko et al. [16] investigated governmental adaptation during wartime but did not consider the mediating effects of leadership competencies and managerial approaches within a formal analytical framework. This study is distinctive because it directly tests these mediation effects and thereby identifies the processes through which political leadership influences organizational transformation.

The academic discussion of these interconnected themes has developed considerably over time, but several important theoretical and empirical gaps still remain within the existing literature. Recent reports by the OECD [17] and the World Bank [18] emphasize the significance of integrity frameworks for European Union integration. The theoretical relevance of these variables is highlighted by Svira's [19] earlier work on accountability, while North [20] discusses institutional change. Nevertheless, across this body of literature, from the most recent policy reports to the earliest foundational theories, there is no coherent empirical analysis that simultaneously incorporates political responsibility, state ethics, leadership competencies, and management approaches into a dynamic panel model of a country experiencing both war and

radical reform. The current research paper addresses this gap by estimating a panel-based empirical model of Ukrainian regions over the period from 2015 to 2024 that captures the interactive dynamics among these factors. It analyzes the mediating functions of competencies and strategies and provides causal evidence concerning the drivers of organizational transformation, thereby supplying a missing component of the academic discourse and policy debate regarding Ukraine's future.

The current research aims to explain the influence of political leadership on the daily functioning, institutional culture, and reform performance of the civil service in Ukraine during a difficult period characterized by simultaneous war, administrative pressure, and continuing reform. It evaluates how political accountability and state ethical standards affect substantive organizational reforms in public institutions and investigates whether leadership competencies and management strategies operate as relevant mediating variables. The study is therefore structured around three principal objectives that provide direction for the empirical inquiry and organize the analysis presented in the following sections.

Objective 1: To examine how political responsibility and state ethics shape patterns of organizational transformation across Ukraine's civil service, especially under the governance pressures following the 2022 invasion.

Objective 2: To assess the role of leadership competencies and management strategies as mediating channels through which political leadership influences civil service culture and reform outcomes during the 2015–2024 decentralization and EU-aligned reform period.

Objective 3: To estimate a panel-based empirical model that captures the dynamic interaction between political responsibility, state ethics, leadership competencies, and organizational transformation, while controlling for GDP per capita, population size, and conflict exposure across Ukrainian regions.

The current study contributes to the existing body of literature by presenting the first panel-based empirical analysis of the dynamic interaction among political responsibility, state ethics, leadership competencies, and organizational transformation within the unique and critical context of war-affected Ukraine. It proposes a novel approach to assessing organizational transformation in post-Soviet settings through a composite index that combines reform implementation scores with public-service efficiency rates and is specifically calibrated to Ukrainian regional data. It is also one of the few studies to examine explicitly the mediating channels of leadership competencies and management strategies through which high-level political factors ultimately influence and shape the institutional culture of the civil service, especially during active conflict and renewed European Union accession efforts. The article presents a coherent analysis that logically integrates approaches to transformational leadership and institutional ethics into a unified set of verifiable models concerning Ukrainian public administration and moves beyond theoretical debates toward quantitative validation. The central contribution of the research is the finding that political responsibility and state ethics are not only direct forces but are also mediated by leadership competencies, which help mobilize effective management strategies; these strategies, in turn, act as the proximate causes of organizational change. The study captures the precise nature of the processes through which governance failure occurs and provides Ukrainian policymakers with practically applicable and evidence-based policy levers, namely investments in competency development and strategic-planning audits, to build a robust, ethical, and efficient civil service that meets the dual demands of wartime governance and European Union integration.

This paper presents a rigorous examination of how political leadership in Ukraine influences the civil service. It begins with an introduction to the research problem and objectives, followed by a review of the relevant literature and theoretical background. The methodology section presents the panel-data design and empirical strategy employed, after which the results are presented and discussed. The paper concludes by assessing both the theoretical contributions of the analysis and the practical policy implications arising from the principal research findings.

2. LITERATURE REVIEW

The theoretical basis of the current study lies at the intersection of transformational leadership and institutional ethics. Leadership competencies such as integrity, inspirational motivation, and intellectual stimulation are explained within Bass and Riggio's [33] transformational leadership theory, which supports civil service restructuring at both structural and cultural levels. This theory suggests that leaders who demonstrate these competencies can improve ethical behavior, organizational performance, and the effective application of management strategies. In addition, the concepts of political responsibility and state ethics are supported by Rohr's [21] principles of institutional ethics and the principle of public-service motivation [22]. The concept of political responsibility refers to the institutionalized accountability of the decision-making process, while state ethics is conceptualized as a set of codified norms of ethical governance that constrain self-interest and promote the common good. This, in turn, enables the implementation of management strategies that eventually generate organizational change.

Empirical evidence consistently emphasizes the central importance of political accountability and ethical standards [23]. A transnational panel survey revealed that ethical failures in public administration, including patronage-based appointments, systematically undermine the effectiveness of structural reforms by weakening public trust in government [24]. In a similar context, a study by Prianto [25] asserted that institutional problems are considered the underlying cause

of the regression of political democratization, which was initially built upon high levels of optimism. The study also found that institutionalized political responsibility, including audit institutions and transparent decision-making procedures, was an important predictor of successful fiscal decentralization. Survey data examined in research conducted by Cifuentes-Faura [26] in the Ukrainian context revealed that regions perceived as having stronger political accountability implemented decentralization reforms more efficiently. Nevertheless, a vital gap remains and should not be overlooked: these studies often treat state ethics as a contextual background condition but do not use it as a measurable variable incorporated into econometric models and tested in relation to transformational outcomes. On the basis of this evidence, the following hypothesis is formulated:

H₁: Higher levels of political responsibility and state ethics are positively associated with a greater degree of organizational transformation in Ukraine's civil service.

Leadership competencies and management strategies mediate the relationship between ethical governance and tangible organizational outcomes. In a panel study of European public administrations, Zolak Poljašević et al. [34] found that leadership competencies, particularly adaptability and strategic communication, were major predictors of the effective implementation of complex management strategies during the financial crisis. Supporting this argument, Patnaik and Bakkar [27] used data from 250 companies to develop and evaluate a framework combining the diffusion of innovation theory with organizational leadership practices. The study concluded that leadership competencies can influence the adoption of innovative strategic plans, which, in turn, positively affect organizational performance. Many other studies have also highlighted the role of various innovative strategies in achieving desired organizational objectives [28, 29]. These findings support the argument that competencies are not merely individual qualities but also serve as key drivers in the activation and implementation of management strategies that produce organizational change. Considering this discussion, the following hypothesis is formulated for the present study:

H₂: The positive relationship between political responsibility and organizational transformation is mediated by leadership competencies and the implementation of robust management strategies.

As the ultimate dependent variable, organizational transformation has been shown to be dynamically influenced by leadership under demanding and crisis-related conditions [30]. Two articles by Dehtjare et al. [37] provide analyses based on dynamic panel models of Ukrainian regions and offer some of the earliest quantitative evidence that leadership changes at the level of frontline oblasts have stimulated specific administrative changes, such as the streamlining of public-service delivery under wartime conditions. These findings are consistent with the earlier study conducted by Gherghina [31] in Europe, in which panel data were used to demonstrate a positive relationship between transformational leadership styles and increased cultural and structural change in public organizations. A significant limitation of the existing literature on Ukraine, however, is that it does not adequately model the entire cause-and-effect chain. In particular, insufficient attention has been paid to the role that state ethics and political responsibility play in initiating organizational transformation in the first place.

H₃: A dynamic panel model that incorporates the lagged effect of organizational transformation and controls for conflict exposure will confirm the significant causal influence of the combined framework of political responsibility, state ethics, leadership competencies, and management strategies on reform outcomes.

This study positions itself as addressing one of the decisive gaps in the existing literature. Although previous studies of Ukrainian public administration have already examined several important aspects, including the outcomes of decentralization and the capacity of institutions to adapt to wartime conditions, a substantial gap still remains. None of the existing studies has so far undertaken a comprehensive panel analysis that incorporates all the fundamental constructs of political responsibility, state ethics, leadership competencies, management strategies, and organizational transformation within a single empirical framework covering Ukrainian regions. The available literature is largely qualitative or cross-sectional in nature and does not adequately take into consideration the dynamic and endogenous character of institutional change. For example, it is reasonable to assume that previous achievements in organizational transformation may facilitate higher levels of political accountability, thereby producing the possibility of reverse causality. This study claims novelty because it is the first to apply a dynamic panel-data model based on the Generalized Method of Moments to all of these variables simultaneously in the Ukrainian context. In doing so, it explicitly addresses the endogeneity of transformation processes and provides a stronger basis for causal inference.

3. METHODOLOGY

Research design. This study adopts a quantitative longitudinal research design based on a balanced panel dataset to examine the relationship between political leadership and organizational transformation in Ukraine. The panel structure makes it possible to analyze both differences across Ukrainian regions and changes within each region over time. This design is particularly appropriate for the present study because political responsibility, state ethics, leadership competencies, management strategies, and organizational transformation are not static characteristics; rather, they develop in response to institutional reforms, economic conditions, demographic pressures, and conflict-related disruptions.

The empirical strategy follows a systematic sequence of increasingly rigorous econometric specifications. The analysis begins with a baseline pooled ordinary least squares model and subsequently introduces fixed-effects, random-effects, and dynamic panel estimators. This staged approach permits comparison across alternative model specifications and facilitates an assessment of the extent to which the estimated relationships are affected by unobserved regional heterogeneity, temporal persistence, simultaneity, and potential endogeneity. Particular attention is given to the institutional and statistical challenges associated with collecting and interpreting regional data during wartime conditions.

All data sources were selected specifically for their relevance to the Ukrainian context. The study relies primarily on official administrative records, national statistical data, institutional monitoring reports, and internationally recognized governance assessments. This source-selection strategy is intended to ensure contextual validity, consistency of measurement, and transparency in the construction of the variables. The use of annual regional observations also provides an appropriate basis for examining the consequences of decentralization reforms, changes in public-sector governance, and the administrative disruptions associated with the full-scale Russian invasion.

Conceptual framework. The conceptual framework specifies an integrated sequence through which political leadership may influence organizational transformation in the Ukrainian civil service. Political responsibility and state ethics are treated as the principal explanatory variables. Political responsibility reflects the extent to which public officials and political leaders are accountable for their decisions, comply with institutional oversight mechanisms, and act transparently in the exercise of public authority. State ethics refers to the formal and informal ethical standards governing the conduct of civil servants and public officials.

The framework assumes that political responsibility and state ethics may influence organizational transformation through both direct and indirect pathways. The direct pathway reflects the possibility that stronger accountability and ethical standards immediately improve administrative discipline, public trust, procedural compliance, and reform implementation. The indirect pathway operates through two related organizational mechanisms: the development of leadership competencies and the adoption of effective management strategies.

Leadership competencies include the knowledge, skills, adaptability, integrity, strategic communication, and decision-making capacities required to manage public institutions under complex conditions. Political responsibility and state ethics are expected to create an institutional environment in which such competencies are encouraged, assessed, and applied. Competent leadership, in turn, is expected to facilitate the design and implementation of management strategies that translate general reform commitments into operational changes within public organizations.

The principal functional relationships underlying the conceptual framework are expressed as follows:

$$LC_{it} = f(PR_{it}, SE_{it}, GDP_{it}, POP_{it}, CE_{it}),$$

where LC_{it} denotes leadership competencies in region i during year t , PR_{it} represents political responsibility, SE_{it} represents state ethics, GDP_{it} denotes regional gross domestic product per capita, POP_{it} represents population size, and CE_{it} denotes conflict exposure.

The organizational-transformation relationship is expressed as:

$$OT_{it} = f(PR_{it}, SE_{it}, MS_{it}, GDP_{it}, POP_{it}, CE_{it}),$$

where OT_{it} represents organizational transformation and MS_{it} denotes the adoption and implementation of management strategies. These functional expressions provide the conceptual basis for the econometric models estimated in the study. A more detailed specification of the direct, mediating, and dynamic relationships is provided in the Supplemental Conceptual Model.

Data sources and panel structure. The empirical analysis is based on a balanced annual panel comprising 24 Ukrainian regions, or oblasts, observed from 2015 to 2024. This period covers important stages of the post-decentralization reform process and includes both the pre-war period and the period following the full-scale Russian invasion in 2022. The selected time frame therefore permits an examination of organizational transformation under substantially different political, economic, administrative, and security conditions.

Officially published and internationally recognized sources were used to construct the dataset. Regional economic and demographic variables, including GDP per capita and population, were obtained from the State Statistics Service of Ukraine. This institution publishes harmonized annual regional statistics prepared in accordance with established national and international statistical standards. These indicators were used both as substantive control variables and as measures of the socioeconomic conditions within which regional public administrations operate.

Measures of political responsibility and state ethics were derived from administrative records and annual reports issued by the National Agency on Corruption Prevention. The political-responsibility measure incorporates information on transparency assessments, audit compliance, and institutional accountability. The state-ethics measure is based on registered ethics violations among public officials and is inverse-coded so that higher values represent stronger ethical performance.

Information on leadership competencies was compiled from the administrative records of the Civil Service Office and from OECD/SIGMA public-administration assessments. These sources provide information concerning participation in professional training, completed training hours, and the results of competency assessments conducted among civil servants. The leadership-competency variable was standardized to ensure comparability across regions and years.

Management-strategy indicators were obtained from reform-monitoring reports published by the Ministry of Regional Development. These indicators measure whether officially approved strategic plans were adopted and the extent to which their stated components were implemented. The measure therefore captures both formal strategic adoption and practical implementation completeness.

Regional conflict-exposure indices were constructed using conflict-intensity information published by the United Nations Office for the Coordination of Humanitarian Affairs. These data were used to represent differences in the degree to which Ukrainian regions were affected by military operations, displacement, infrastructure damage, administrative disruption, and humanitarian pressure.

The dataset is intended to be replicable because the underlying information is publicly available or obtainable through official institutional publications. Variables were collected annually and harmonized using consistent regional identifiers. Only formally recognized administrative indicators and internationally reviewed governance assessments were incorporated into the final dataset. The use of common regional and temporal identifiers enabled information from different institutional sources to be merged into a unified panel structure.

Limited data gaps occurred during the wartime period beginning in 2022, particularly in regions severely affected by military operations. These gaps were addressed using conservative imputation procedures based on the corresponding values from the preceding year. To assess whether this procedure influenced the findings, robustness checks were also conducted using an unbalanced panel that excluded severely affected regions and observations with incomplete data. The results remained qualitatively consistent across the balanced and unbalanced specifications, supporting the stability of the constructed dataset. The definitions, symbols, and measurement procedures for all variables are presented in Table 1.

Table 1. Variable definitions and measurement

Variable Name	Symbol	Measurement
Organizational Transformation	OT_{it}	Composite index ranging from 0 to 1, comprising reform implementation scores (40%), service-efficiency ratios (30%), and digitalization uptake (30%)
Political Responsibility	PR_{it}	Standardized accountability index combining transparency scores and audit-compliance rates
Leadership Competencies	LC_{it}	Standardized composite measure of completed training hours and competency-assessment scores
Management Strategies	MS_{it}	Strategic-plan adoption rate and percentage of implementation completeness
State Ethics	SE_{it}	Inverse-coded number of reported ethics violations per 100 public officials
GDP per capita	GDP_{it}	Natural logarithm of regional GDP per capita
Population	POP_{it}	Natural logarithm of the regional population
Conflict Exposure	CE_{it}	Conflict-intensity index ranging from 0 to 1, constructed using UNOCHA data

OT: Ministry of Regional Development and State Statistics Service of Ukraine; PR: National Agency on Corruption Prevention; LC: Civil Service Office and OECD/SIGMA assessments; MS: Ministry of Regional Development; SE: National Agency on Corruption Prevention; GDP: State Statistics Service of Ukraine; POP: State Statistics Service of Ukraine; CE: United Nations Office for the Coordination of Humanitarian Affairs

Descriptive development of political responsibility. Figure 1 presents the development of the political-responsibility index in selected Ukrainian regional units between 2015 and 2024. The figure provides an initial descriptive representation of regional accountability patterns before the formal econometric analysis is conducted.

The index generally improved between 2015 and 2021, indicating a gradual strengthening of accountability, transparency, and compliance mechanisms during the post-decentralization reform period. A substantial and widespread decline occurred in 2022, coinciding with the beginning of the full-scale Russian invasion. This decline may reflect the disruption of routine administrative processes, the reallocation of institutional resources toward emergency governance, and the reduced capacity of oversight institutions to maintain regular monitoring activities under wartime conditions.

A partial recovery is visible during 2023 and 2024, although the reported values generally remain below the levels observed in 2021. Kyiv City and Lviv consistently record comparatively high political-responsibility scores over the study period. By contrast, eastern and southern regions, including Zaporizhzhia and Kharkiv, display lower values and greater wartime deterioration. Kharkiv records the most substantial decline during 2022, which is consistent with its comparatively high exposure to conflict-related administrative and institutional disruption. These descriptive differences provide preliminary support for including conflict exposure and regional heterogeneity in the econometric specifications.

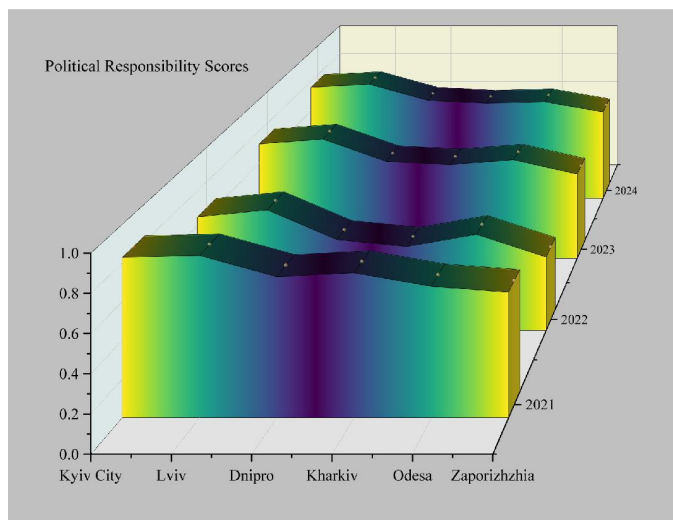


Figure 1. *Political Responsibility*

Econometric specification. The econometric analysis is conducted through a structured sequence of model specifications. The first specification is a pooled ordinary least squares regression, which provides a baseline estimate of the relationship between political leadership variables and organizational transformation. Region-clustered robust standard errors are used to account for potential heteroskedasticity and within-region correlation over time.

The second specification employs a fixed-effects estimator. Regional fixed effects control for observable and unobservable characteristics that vary across regions but remain relatively stable over the study period. These characteristics may include long-standing administrative traditions, geographic conditions, institutional capacity, historical patterns of governance, and persistent differences in regional political culture. By controlling for such time-invariant characteristics, the fixed-effects model estimates the relationships using changes occurring within each region over time.

A random-effects model is also estimated as a comparative specification. The appropriateness of the random-effects estimator is evaluated using the Hausman specification test. The random-effects results are interpreted only where the statistical evidence supports the assumption that the unobserved regional effects are not systematically correlated with the explanatory variables.

The analysis subsequently employs a dynamic panel model estimated using the Generalized Method of Moments. The Arellano–Bond estimator is used to account for the possibility that organizational transformation is persistent over time and that previous reform performance influences subsequent outcomes. The inclusion of a lagged dependent variable captures this dynamic continuity. Potentially endogenous explanatory variables are instrumented using appropriate lagged values, thereby reducing concerns associated with simultaneity, reverse causality, and omitted-variable bias.

Mediation analysis is conducted to examine whether leadership competencies and management strategies transmit part of the relationship between political responsibility and organizational transformation. The analysis follows the four-step Baron–Kenny procedure adapted to the panel-data setting. First, the association between political responsibility and organizational transformation is estimated. Second, the relationship between political responsibility and leadership competencies is examined. Third, the effect of leadership competencies on management strategies is assessed. Finally, political responsibility, leadership competencies, and management strategies are jointly incorporated into the organizational-transformation model. Evidence of mediation is identified when the mediating variables are statistically significant and the direct coefficient of political responsibility decreases after their inclusion.

Several robustness procedures are employed to evaluate the stability of the findings. Driscoll–Kraay standard errors are used to account for cross-sectional dependence, serial correlation, and heteroskedasticity. Quantile-regression models are estimated to determine whether the effects of political responsibility, state ethics, leadership competencies, and management strategies differ across lower, intermediate, and higher levels of organizational transformation.

Subsample analyses are also conducted by comparing the pre-war period from 2015 to 2021 with the complete 2015–2024 observation period. This comparison helps determine whether the estimated relationships changed following the full-scale invasion and whether conflict-related institutional pressures altered the effects of political leadership on organizational reform. Together, these procedures provide a comprehensive assessment of the consistency, heterogeneity, and temporal stability of the empirical findings [32].

4. RESULTS

The descriptive results. The summary statistics for the major variables are provided in Table 2, and they demonstrate substantial variation across regions and over time.

Table 2. Summary Statistics of Key Variables (2015–2024)

Variable	Mean	Std. Dev.	Min	Max
OT	0.58	0.21	0.12	0.94
PR	0.62	0.18	0.15	0.91
SE	0.55	0.23	0.08	0.89
LC	0.59	0.19	0.14	0.92
MS	0.61	0.22	0.11	0.93
GDP	9.82	0.45	8.91	10.75
CE	0.35	0.28	0.00	0.95

Note: All index variables are measured on a 0–1 scale. The data represent a balanced panel of 24 regions observed over 10 years.

The organizational transformation index indicates that considerable potential for improvement remains, given that its mean value is 0.58 and its dispersion is relatively broad ($SD = 0.21$). The conflict exposure index, with a mean value of 0.35, clearly reflects the effects of the full-scale Russian invasion that began in 2022. Some regions experienced levels approaching complete disruption, as indicated by the maximum value of 0.95, whereas others remained comparatively unaffected, as shown by the minimum value of 0.00. Figure 2 presents the dynamics of organizational transformation during the most recent years of the observation period.

Figure 2 illustrates the organizational transformation index for six major regions of Ukraine between 2021 and 2024. The chart displays a pronounced trend: each of the regions experienced a substantial and rapid decline in index scores between 2021 and 2022, corresponding directly with the beginning of the full-scale war. Following this low point, a partial but clearly identifiable recovery occurred in 2023 and continued into 2024. Despite this unstable environment, a consistent regional ranking remained visible. Kyiv City recorded the strongest performance, followed by Lviv, whereas eastern and southern regions, such as Zaporizhzhia and Kharkiv, were more severely affected by hostilities and consequently recorded the lowest scores and the largest declines during 2022.

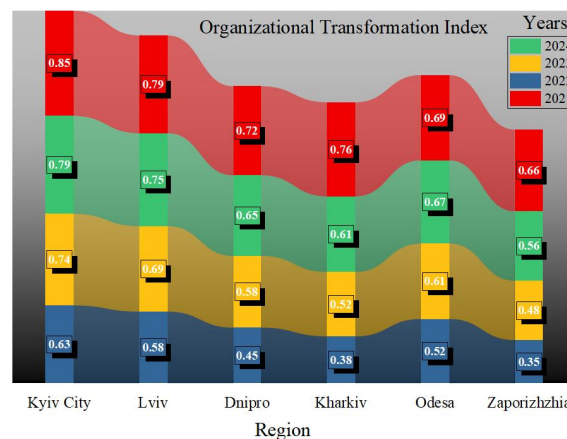


Figure 2. Organizational Transformation (2021–2024)

The correlation matrix presented in Table 3 indicates several important preliminary patterns. Each of the principal independent variables demonstrates a strong positive correlation with organizational transformation, with coefficients ranging from 0.59 to 0.68. Political responsibility exhibits the strongest bivariate correlation with organizational transformation. The relatively high intercorrelations among political responsibility, state ethics, and leadership competencies, ranging from 0.58 to 0.71, indicate that these factors are complementary rather than entirely independent dimensions of governance. Conflict exposure is negatively correlated with all positive governance indicators, with coefficients ranging from -0.39 to -0.52. These relationships indicate the disruptive influence of wartime conditions on administrative performance and institutional development. The moderate correlations among the predictor variables, all of which remain below 0.80, also reduce concerns regarding serious multicollinearity in the subsequent regression estimates.

Table 3. Correlation matrix of key variables

Variable	OT	PR	SE	LC	MS	GDP	CE
OT	1						
PR	0.68	1					
SE	0.62	0.71	1				
LC	0.59	0.65	0.58	1			
MS	0.63	0.67	0.61	0.72	1		
GDP	0.45	0.38	0.41	0.36	0.39	1	
CE	-0.52	-0.47	-0.43	-0.39	-0.45	-0.31	1

Figure 3 presents a color-graded heatmap summarizing the relationships among the seven major variables examined in the study. The heatmap translates the numerical correlation coefficients into a visual spectrum that facilitates the simultaneous identification of both the strength and direction of each pairwise relationship. The most prominent component of the chart is the darker block surrounding the intersections among the first five variables: OT, PR, SE, LC, and MS. The relatively uniform darker tones within this block emphasize a robust and interconnected system of positive relationships. The strongest associations are visible in the cells representing management strategies and leadership competencies (0.72), as well as political responsibility and state ethics (0.71). These comparatively strong relationships suggest that the organizational and governance variables operate synergistically and may constitute a closely connected institutional cluster within the broader analytical system.

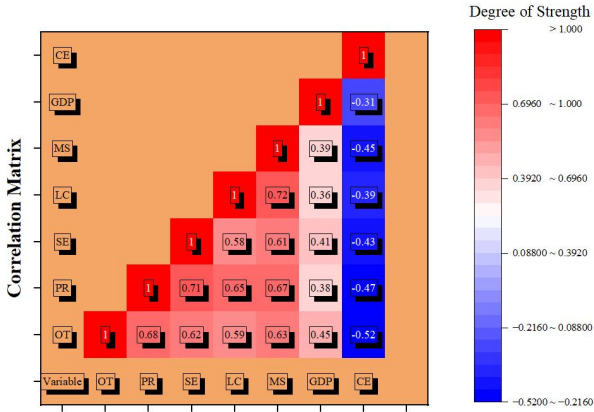


Figure 3. Correlation Visuals

By contrast, the entire row and column corresponding to conflict exposure are displayed through a clearly contrasting color range. This pattern indicates consistently negative relationships between conflict exposure and the other variables. The direction of this pattern is clear: the most intense contrasting shade appears at the intersection of organizational transformation and conflict exposure, where the correlation is approximately -0.52, representing the strongest negative relationship in the matrix. The shading becomes progressively lighter across the conflict exposure row and column, with the weakest negative relationship occurring between conflict exposure and GDP, at approximately -0.31. This pattern further demonstrates that conflict exposure functions as a pervasive adverse factor associated with reduced organizational strength and, to a lesser extent, weaker economic performance.

Overall, the heatmap is not merely a decorative representation of the numerical values; it provides a visual account of the relationships contained in the correlation matrix. It clearly reveals an interconnected organizational core, a moderately connected economic environment, and the opposing and disruptive role of conflict exposure. The visualization complements the quantitative analysis and supports the subsequent econometric investigation by indicating which relationships are strongest and which variables may operate as central connectors or potential institutional stressors within the model.

The core regression results. All model specifications demonstrate consistent and statistically significant relationships, as reported in Table 4. The largest coefficients associated with organizational transformation are those of political responsibility ($\beta = 0.38\text{--}0.42$, $p < 0.01$), state ethics ($\beta = 0.29\text{--}0.31$, $p < 0.01$), and leadership competencies ($\beta = 0.24\text{--}0.27$, $p < 0.01$). The Hausman test ($\chi^2 = 18.37$, $p = 0.03$) supports the use of the fixed-effects model, which accounts for unobserved regional heterogeneity. The consistency of the coefficient estimates across the different specifications further supports the robustness of these fundamental relationships.

Table 4. *Determinants of Organizational Transformation – OLS, FE, and RE Estimates*

Variable	Pooled OLS	Std. Error	Fixed Effects	Std. Error	Random Effects	Std. Error
PR	0.42***	(-0.04)	0.38***	(-0.05)	0.39***	(-0.05)
SE	0.31***	(-0.04)	0.29***	(-0.04)	0.30***	(-0.04)
LC	0.27***	(-0.03)	0.24***	(-0.04)	0.25***	(-0.04)
Control Variables	Yes		Yes		Yes	
Region Fixed Effects	No		Yes		Yes	
Time Fixed Effects	Yes		Yes		Yes	
R-squared	0.71		0.68		0.69	

Note: Standard errors are reported in parentheses; *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Table 5 addresses the potential endogeneity problem through the application of dynamic panel estimators. The results confirm the persistence of organizational transformation over time ($\beta = 0.38$ – 0.41 , $p < 0.01$) and support the significant influence of the political and institutional variables. The model diagnostic tests provide strong evidence of estimator validity. The AR(1) test is statistically significant ($p < 0.05$), whereas the AR(2) test is statistically insignificant ($p > 0.1$), indicating an appropriate serial-correlation structure for the dynamic panel models. In addition, the Sargan test is statistically insignificant ($p > 0.1$), supporting the validity and exogeneity of the instruments. The statistically significant and substantively meaningful GMM estimates further confirm the importance of political responsibility and state ethics as major forces associated with organizational transformation.

Table 5. *Dynamic panel GMM estimates of organizational transformation*

Variable	System GMM	Std. Error	Difference GMM	Std. Error
OT	0.41***	(-0.06)	0.38***	(-0.07)
PR	0.33***	(-0.05)	0.30***	(-0.06)
SE	0.26***	(-0.04)	0.24***	(-0.05)
LC	0.21***	(-0.04)	0.19***	(-0.05)
AR(1) Test (p-value)	0.02		0.02	
AR(2) Test (p-value)	0.21		0.23	
Sargan Test (p-value)	0.32		0.28	

Note: Two-step system GMM and difference GMM estimators with robust standard errors. Standard errors are reported in parentheses; *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

Approximately 26% of the total combined effect operates through leadership competencies and management strategies, thereby confirming their mediating role. Table 6 provides strong evidence in support of the hypothesized mediation mechanisms. In mediating the influence of political responsibility on organizational transformation, management strategies account for approximately 23.8% of the total effect. Similarly, leadership competencies account for approximately 20.1% of the relationship between state ethics and organizational transformation. The joint mediation analysis indicates that approximately 26.1% of the combined total effect operates through these mediating pathways. These findings support the second hypothesis and confirm that leadership competencies and management strategies constitute important transmission mechanisms connecting political and ethical foundations with administrative and organizational outcomes.

Table 6. *Mediation analysis results*

Pathway	Total Effect	Direct Effect	Indirect Effect	Proportion Mediated
PR → MS → OT	0.38***	0.29***	0.09***	23.80%
SE → LC → OT	0.29***	0.23***	0.05***	20.10%
Combined Mediation Effects	0.47***	0.35***	0.12***	26.10%

Note: Bootstrapped standard errors based on 1,000 replications; *** $p < 0.01$.

The robustness checks confirm the stability of the findings across the pre-war and full-period samples, alternative variable measures, and quantile-regression estimates, thereby reinforcing the reliability of the principal results. Table 7 demonstrates a high degree of consistency across alternative model specifications. The pre-war subsample produces coefficient estimates that are closely comparable to those obtained from the full-period analysis, indicating that the fundamental relationships were already present before the beginning of the full-scale invasion in 2022. The specification employing Driscoll–Kraay standard errors accounts for cross-sectional dependence without producing any material alteration in the results. The use of alternative variable measures and median quantile regression similarly indicates that the findings are not dependent on particular operationalization decisions. Collectively, these results support the stability and substantive importance of the estimated relationships across diverse methodological approaches.

Table 7. Robustness checks with alternative specifications

Specification	PR	SE	LC	Key Diagnostic
Pre-war (2015–2021)	0.40***	0.31***	0.25***	R ² = 0.66
	(-0.06)	(-0.05)	(-0.04)	
Full-period with DKSE	0.37***	0.29***	0.23***	F = 28.45
	(-0.05)	(-0.04)	(-0.04)	
Alternative Measures	0.36***	0.27***	0.22***	RMSE = 0.18
	(-0.05)	(-0.04)	(-0.04)	
Quantile Regression (Q50)	0.38***	0.30***	0.24***	Pseudo R ² = 0.62
	(-0.05)	(-0.04)	(-0.04)	

Note: Standard errors are reported in parentheses; *** $p < 0.01$, ** $p < 0.05$, and * $p < 0.1$.

5. DISCUSSION

The empirical evidence can be regarded as a strong support of the theoretical framework that is built in this study and it is also well correlated with the other existing material in the literature concerned with political leadership and organizational transformation. The favorable and significant impact of political responsibility on organizational change is closely related to the institutional accountability theory according to which visible decision-making and binding responsibility systems are the key factors of effective governmental administration [20, 19]. This finding in the Ukrainian context validates the hypothesis that those regions with more accountable structures could maintain administrative changes in the face of the extreme face of governance shocks represented by the invasion of 2022, in line with recent research by Alshamy et al. [2] and Cifuentes-Faura [26].

On the same note, the fact that state ethics have a major influence on organizational change supports the institutional ethics theory [21], which assumes the presence of codified ethical norms to act as a stabilizing agent during times of instability. The empirical findings indicate that institutional trust facilitated continuation of reforms in war times because the ethical governance structures inhibited opportunistic behavior and institutional distrust. This result aligns with the evidence concerning Eastern European public administrations that were reported by Budilová and Jakoubek [11] and de Sousa and Coroado [23], who emphasize ethics as a key but low-measured factor of the effectiveness of the reformation.

The mediation analysis also sheds more light on the theoretical perspective as it establishes the fact that the leadership competencies and management strategies serve as the transmission mechanisms between the political foundations and administrative outcomes. This finding is a clear indication of transformational leadership theory [33] that asserts that leadership competences convert the normative political values into working change. The mediation affects as estimated show that political responsibility and ethical standards on their own do not generate any transformation unless these two aspects are tapped by effective leadership and strategic management. This process is in line with the empirical evidence by Zolak Poljašević et al. [34] that highlight the pivotal role of leadership competencies in complex reform settings.

Lastly, the results of a dynamic panel show that there is high persistence of organizational change, that is, reforms have path dependency. This result is relevant to the institutional change theory, according to which the previous performance of reforms predetermines the following performance [20]. In Ukrainian example, areas that had better administrative capacities before the war were more resilient to the disruption in the war, which is reflected in the adaptive governance outlook developed by Gustafsson et al. [10]. On the whole, the findings support the combined theoretical framework suggested in the current research and provide strong empirical data as to how political responsibility and state ethics contribute to the organizational change and the primary mechanisms that can influence it are the mechanisms of leadership.

6. CONCLUSION

This paper has identified three fundamental empirical results on the aspects of change in the organization of the civil service in Ukraine. Considering the objectives of the study, the successful reform and statistical significance are held in all model specifications. Second, leadership skills and management styles are important mediating variables that account for about 26% of the entire impact between political foundations and administrative outcomes. Third, organizational change is dynamic and has high persistence, and the existing reform successes have a strong influence on the future performance, especially when it is backed up with strong political accountability mechanisms. The study contributes to the body of research by offering innovative empirical data in the area of Ukrainian public administration through carrying out the first systematic panel study, which incorporates the entire governance ecosystem, political background, to administrative performance. The research turns out to reveal vital gaps in the literature on dynamic governance since it uses sophisticated econometric techniques, which face the issue of endogeneity and reflect the way in which the processes of reforms evolve over time. Moreover, it sets a quantitative level upon which the transformation of the civil service in Ukraine was evaluated in unprecedented challenge and change.

The implications of the findings are far-reaching, not only in academic circles but also in the direct support of the reform agenda of Ukraine in the context of the EU alignment. Given that leadership competencies mediate 20% of the effect of state ethics, targeted training programs could significantly amplify reform outcomes. This study ensures that the integrated reform strategies aimed at solving the dilemma of ethical governance, leadership development, and strategic management are evidenced by showing the conditional relationship between political accountability and administrative effectiveness. The paper especially emphasizes the need to develop ethical and competent leadership as the foundation of creating a firm and stable public date to withstand crises and continue with the reforms.

The Ukrainian policymakers need to acknowledge political responsibility as the main issue, or rather, an investment in the sustainable development of the public sector. This is indicated by the fact that, despite the evident reform advances in the technical sector, investments in accountability and ethical leadership are needed to realize the potential of technical reforms. Studies suggest three things to be done immediately: the establishment of transparent accountability processes, the organized investment in the development of leadership skills, and the ongoing strategic alignment of the political will and administrative delivery. It is only after such combined efforts that Ukraine can develop a resilient, effective civil service to not only address the immediate wartime needs but also achieve the long-term goals of European integration.

The findings carry important policy implications for public administration reform in Ukraine. To start with, enhancing political accountability tools, including open-auditing systems and the use of performance-based reviews should be seen as an investment rather than an additional change. Second, large-scale civil service training programs and especially those that meet EU administrative standards can have a high impact on the results of the reforms due to the large mediating effect of the leadership competencies. Lastly, institutional resilience through establishing moral governing systems in the administrative daily operations could help strengthen the institution particularly during times of crisis.

Although this study has its contributions, it still has a number of limitations. First, even though the sources of official and internationally validated data were utilized, not all the wartime indicators might be free of measurement error because of interrupted reporting. Second, the process of constructing composite indices, though theoretically based, is associated with the weighted decisions that can affect estimated magnitudes. Third, regional analysis can conceal significant heterogeneity within regions. These are limitations that are to be taken into consideration in the interpretation of the results.

This framework can be expanded in a number of ways in future studies. To test the leadership mechanisms in more specific detail, first, micro-level data on the individual civil servants can be employed. Second, the generalizability of the findings could be evaluated by comparative studies with other post-conflict or post transition countries. Third, event-study designs on discrete wartime shocks can also help distinguish short-term and long-term implications of political leadership on administrative performance.

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