Transformational Leadership: Its Influence on Employee Motivation

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Abstract

Transformational leadership has been admired by many leaders because of its supportive, productive and innovative nature. It has placed a positive impact on employee motivation.

At the same time there is accumulating evidence that indicates a positive relationship between transformational leadership and employee motivation. Also, there is compelling evidence that indicates a negative link between the two variables.

In certain conditions, other styles of leadership may be preferred over transformational leadership and employees may resist certain transformational behaviors such as intellectual stimulation and individualized consideration seeing them as ineffective.

Keywords: *Transformational leaders, Employee motivation, components, competencies, effects of transformational leaders*

1. Introduction

For the last decade, it has been observed that transformational and charismatic leadership measured very critical aspects of leadership, which is highly associated with individual and organizational performance as well. Effectiveness of leadership measures the ability of leaders to provoke the followers.

towards the collective goals. Researchers who have examined transformational and charismatic leadership they must include the motivational effect in their study.

(Shamir, House, & Arthur, 1993). The theory of leadership as shown in fig 1 narrates the few qualities of transformational leaders.
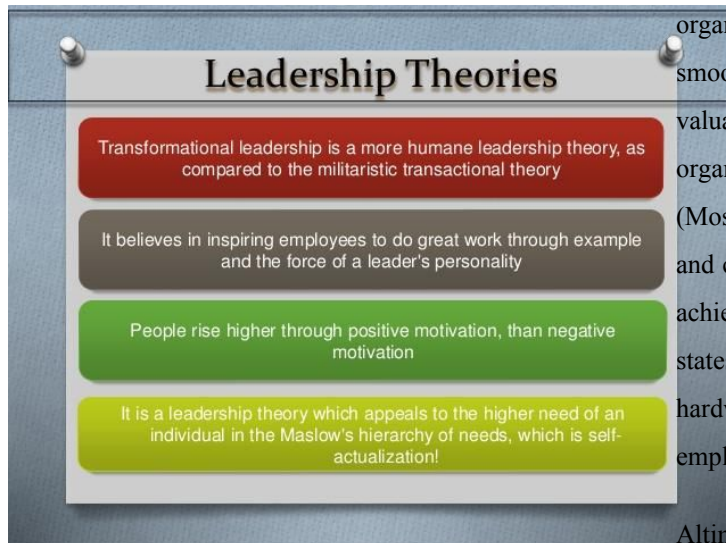

Fig 1 Leadership Theories

As per Bass and Avolio (1994), there are four dimensions of transformational leadership that are Idealized Influence, Inspirational Motivation,

Individualized Consideration and Intellectual Stimulation. Inspirational Motivation involves the need of leaders to followers for achieving goals through describing the goals in attractive and compensating manner, which motivate employees. Idealized influence shows being a role model in front of employees and ready for sacrifices for the good of a complete group. Leaders have a high level of ethical conduct and do anything for the team. Individual Consideration includes attention, encouragement and aid of leader to followers. Intellectual Stimulation come to the end that leader enable the followers for probing the problems in a new way that is easy and creative. Fig 2 describes this phenomenon.

Organizations perceived organizational commitment as one of the factors for the success of the organization. In order to run the organizations smoothly, effectively, and efficiently, the most valuable and indiapensable factor organizationsmneed is the human resource (Mosadeghrad 2003). According to it a well qualified and capable personnel are major factors in context of achieving goals and objectives of an organization. It states the success of an organization depends on the hardworking, loyal, and involved managers and employees.

Altimately, it states leaders have the means and powers to running organizations, their impact on employees is significant and their leadership style plays a vital role in shaping employees' attitudes in regards with creativity, job performance and

satisfaction. As such, leadership plays a major role in employee performance and motivation.

Fig 2 4 I's of Transformational Leadership

Among the different types of leadership styles, transformational leadership has attained more popularity and attention, perhaps because of its productive, supportive and innovative nature (Shah *et al.* 2011). Literature on transformational leadership has identified important positive effects on employee motivation. Several authors have observed in their study that transformational leadership style improves employee motivations and increases their commitment to the organization.

For an instance, a study conducted by Avolio *et al.* (2004), on the effect of transformational leadership on motivation and performance of nurses in a public hospital of Singapore showed a positive relationship. Similarly, study Limsili & Ogunlana (2008) and Ismail & Yusuf (2009) also observed remarkable positive relation between transformational leadership and employee motivation. Several other studies have appeared with the same conclusions on the validity of the relationship between transformational leadership and employee motivation. The fact is that when leaders engage in inspirational behaviours like articulating a compelling vision, optimism and expressing confidence, referencing core values and emphasizing on collective identities; employees become more motivated and they set more value-congruent goals and remain committed to their organization (Grant 2012).

In spite of that, transformational leadership does not always enhance employee motivation. There is emerging evidence that show inconsistent effects on employee motivation and job satisfaction (Grant 2012). At the same time, there is accumulating evidence that indicates a positive relationship between transformational leadership and employee motivation, there is also compelling evidence that indicates a negative link between the two variables. In this paper, we critically explore the motivational effects of transformational leadership on employee. The paper starts by exploring on the concept of transformational leadership.

2. Transformational leadership style

Transformational leadership is a style of leadership that involves leaders utilizing their power, knowledge and experience in meaningful ways, such as providing support, advice and engaging with employees in friendly communication and discussions. Also, transformational leaders seek to change employee goals, needs, identities, values, priorities and ambitions with the aim of boosting their trust and confidence that would allow them to boost their performance and commitment to the

organization. Through such social, responsive and pleasant attitudes, transformational leaders could facilitate and encourage employees to effectively utilize their experience, skills, and knowledge in the organization (Shah *et al*. 2011). Fig 3 explains the components of transformational leadership.

Fig3 Employee motivation through transformational leadership

Bernard M. Bass, Ronald E. Riggio stated in their Transformational Leadership that Transformational leaders inspire others to do more than they originally intended and even more than they thought possible. They create more challenging expectations and typically attain higher performances. Also, Transformational leaders tend to have more committed and happy followers. Additionally, transformational leaders empower followers and pay attention to their individual needs and personal development, helping followers to improve their own leadership potential.

The result of transformation leadership on employee performance appears from development and empowerment, which is observed to boost the subordinate's ability and motivation. The philosophical approach to this style of leadership includes empowering employees and increasing their organizational commitment. In such a way transformational leaders, state a vision that empowers employees and engages them to contribute to the organization. They emphasize the prosocial effect of the vision and struggle to motivate the employees to transcend their own self-interests for the purpose of the big organization (Bushra *et al*. 2011)

As pointed out by Bass & Avolio (1995), transformational leadership style is defined by four key aspects are inspirational motivation, idealized influence, intellectual stimulation and individualized consideration. Inspirational motivation significantly includes the articulation and sharing of an attractive vision with the employees and use of emotions to demonstrate optimism and enthusiasm. Idealized influence includes setting a lead example by sacrificing certain aspects for the benefit of the team or organization.

Individualized consideration includes the provision of encouragement and support to the followers. Intellectual stimulation refers to transformational behaviours that increase the awareness of employees of the problems facing them and challenges them to view their problems from new perspectives (Kark & Shamir 2003). These transformational behaviours essentially impact upon employee motivation and performance.

For instance, when an inspirational message is sent by a transformational leader, several needs in subordinate employees may become activated and if employees are able to satisfy their activated needs, which causes in increased motivation to perform at work (Porter *et al.* 2003). In addition, by articulating and sharing an inspirational vision with employees, transformational leaders improve employee understanding and enhance their ability to critically explore a situation (Mayfield & Mayfield 2012).

Also, there is a positive effect of transformational leaders on employee motivation through leading by example and highlighting the importance of having a strong sense of purpose (idealized influence) (Grant 2012).When the transformational leader expresses a vision in an idealized manner and when they challenge the status quo; the employees are also challenged to reflect on the same vision and to re-examine their behavior that is supporting the status quo (Porter*et al.*2003).

Fig 4 highlights the impact and competancies of transformational leader.

Fig 4 Competencies of Transformational Leader

Transformational leaders encourage employees to develop their abilities through intellectual stimulation, thereby enhancing their innovative and creative capabilities. Moreover, by engaging in individualized consideration, transformational leaders represent themselves as mentors and effective listeners, emphasizing on individual employee requirements and working towards meeting those needs. Such transformational behaviors help improve the low levels of employee motivation.

Thus, Transformational leaders help increase employee awareness about the importance and values of goals and objectives; and notify them on the ways to fulfilling those objectives (Porter *et al.* 2003). Transformational leaders also permit employees to participate in the decision making process, which effects in higher organizational commitment. By permitting them to participate in decision making, it leads to more empowered and motivated employees.

Such empowerment of employees through above mentioned transformational leadership behaviors develops a sense of responsibility and employee commitment to the organization. Empowered employees feel a sense of responsibility for their work and feel more in control, thus results in their firm commitment to the organization. Additionally, individual considerations and the supportive attitude demonstrated by transformational leaders results in reduced turnovers and increased job satisfaction and organizational commitment.

So, the main purpose of transformational leadership is clearly to empower the employees, increase their performance and to assure them more committed to the organization. Transformational leaders could achieve this through the following:

- A clear vision that focuses employees attention in participating to the organization

- giving them with support through their knowledge, exposure and experience;

- delegating certain tasks to them;

- And building their confidence also enhancing their self-efficacy.

This kind of encouraging and communicative approach towards the personnel helps to involve the employees in persuasion of the organizational goal and to encourage them to stay committed to the organization .

Moreover, research has recognized the significance of emotional intelligence in improving employee motivation in organizations. This kind of leadership style in leaders develop emotions of leaderships skills and their capability to identify others' emotional expressions have marked significant effects on employee motivation. In reality, leadership is mostly identified more as an emotion-laden process. And transformational leaders have emotional intelligence as well the ability to use emotions to build leadership skills. Still, there seems to be a gender imbalance on leadership positions.

Transformational leadership literature states that women are more transformational than their male counterparts since transformational leadership characteristics are closely related to those unveiled by the feminine gender (Lopez-Zafra *et al.* 2012). Additionally, it has been noted that women tend to score higher in general emotional intelligence than men.

Surprisingly, there are still a relatively low number of women leaders in different organizations. The lack of women leaders in most of the organizations can be described by the gender-role congruity theory where gender stereotyping is observed to play an important role in preventing women from accessing leadership positions in top working organizations (Lopez-Zafra *et al.* 2012). There is a need for future transformational leadership research to solve this problem of gender. Fig 5 depicts the effects of transformation leadership on organization structure.
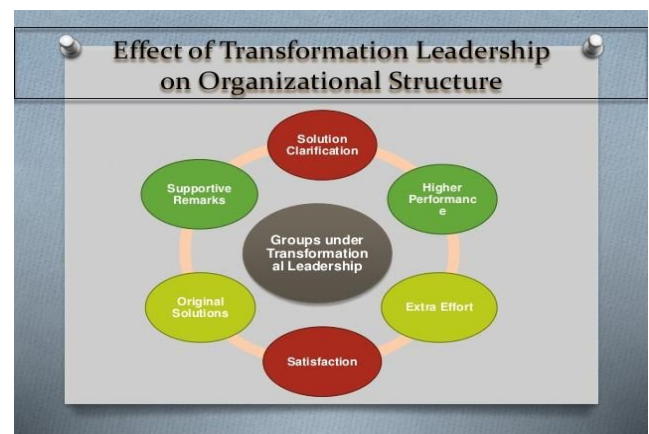

Fig 5 Effects of Transformation Leadership on Organizational Structure

Although, there is accumulating evidence that indicates a positive relationship between employee motivation and transformational leadership, there is emerging evidence also that shows a negative link

between the two. While the transformational leadership style may significantly effect on employee motivation and performance, which results in growth and empowerment of employees. It is important to pinpoint such influential leadership can also result in weakening and increased dependency on the leader. The implications are that the subordinate employees become limited in their capability to perform a task and cann't make a decision without guidance from the leader. Psychologically, this implies that the employee motivation and self-esteem is dependent on receiving recognition and approval from the transformational leader (Kark & Shamir 2003). On the contrary, an empowered person must be self-motivated, independent and autonomous.

In Weber's explication of the charismatic leader, House (1977) was the first to exhibit an integrated theoretical framework and testable propositions to describe the behaviors of charismatic leaders. House also described a complete explanation of the psychological impact of charismatic leaders on followers. House suggested that the basis for the charismatic appeal is the emotional interaction that appears between followers and their leader. On the basis of mission luluirements, charismatic leaders arouse followers' power, affiliation, and achievement motives to achieve the leader's vision. As per the House, charismatic leaders set high expectations for themselves and their followers, and exhibit confidence that these expectations can be accomplished. Due to that House argued that these leaders become role models and objects or identification for followers, in turn, they emulate their leader's values and ideals, also they are enthusiastically inspired and motivated. Also, Charismatic leaders are observed as courageous, as they challenge a status quo that is observed as undesirable.

Charismatic transformational leadership behaviors have been suggested to result in followers or employees becoming highly dependent on the leaders. Employees who perceive the transformational leader as exceptional and extraordinary may end up believing on the leader for decision making and for guidance on accomplishing tasks (Kark & Shamir 2003). This charismatic relationship can be compared with the parent-child relationship, which implies increased dependence on the leader.

It should also be noted that when individualized consideration is made to one group within an organization, it may result into hate and jealousy among employees in the different groups that are not experiencing individualized consideration, and leads to decrease in employee motivation (Porter *et al.* 2003).

In addition to this "spillover" effect, transformational leadership can imaginably activate certain intergroup dynamics that may influence either positively or negatively on employee motivation. For example, when this kind of leadership arises in an organizational unit collection of different groups, it may bring about intergroup conflict by increasing cohesion among specific group members (Porter *et al.* 2003). Whilst transformational leadership has been observed for encouraging individuals to transcend self-interests for the advantage of the

complete group or organization, this kind of group coherence are potential antecedents to intergroup inequality and disagreement, with such conflict escalating with an increase in cohesion (Porter *et al.* 2003, p.271).

This kind of conflicts may leads to group dynamism that may either maximize or minimize employee motivation. Feelings of solidarity may results into negative stereotyping and discrimination of out-group members, therefore minimizing employee motivation in the organization (Porter *et al.* 2003, p.272). Still, such kind of conflict may occur, besides that, improving employee motivation by encouraging the other group members to become more focused and also committed to their own group objectives. In such conditions of conflict, autocratic style of leadership is often selected by group members and employees may resist certain transformational leadership behaviours like intellectual stimulation and individualized consideration as they may appear them as ineffective (Porter *et al.* 2003, p.272).

As mentioned above, the transformational leadership style encourages employees to work at peak levels at the same time bringing them into contact with each other. Most of this contact, however, may be counterproductive for the employee and may lead to demoralization. Which becomes increasingly difficult for employees to disengage from relationships. It also stated that they cannot regulate their personal contact with transformational leaders, they may wind up experiencing higher stress levels.

Hence, such leadership takes more emphasis on the followers individual psychological as well as physical

capacities to perform at peak levels, it can be stressing (Humphrey 2012). As a result, contrary to the commonly held outlook, the positive relationship between employee motivation and transformational leadership may have a short-term effect. This leadership style may in the long run exhibit minimising marginal returns.

Criticism has also been raised because transformational leadership style gives more focus on 'vague and distal goals' which continues simply rhetoric. Also, Grant (2012) argues that when articulating meaningful visions, transformational leaders unsuccessful to make these visions a tangible reality. As this kind of employees cannot be effectively motivated if it exists rhetoric continuously.

There is a need to enhance the salience and vividness of pro social impact, also need to provide followers with beneficiary contacts who then establishes a credible link between the words and deeds of the leaders (Grant 2012). This allows employees to actually see how the articulated vision comes to life to benefit others, therefore motivating them to stay with their work and to stay committed to the organization (Grant 2012).

3. Conclusion

Many criticisms which have been raised above reveal that transformational leadership does not always impact positively on employee motivation. In fact, in other conditions, employee motivation may be complicated through a reduction in the level of transformational leadership behaviors. So, to simply

argue that low levels of motivation can be improved by transformational leadership occurs to be somewhat simplistic.

However, the stronger weight of evidence states that transformational leadership improves employee motivation. When leaders are busy in inspirational behaviors like articulating a compelling vision, expressing confidence and optimism, focusing on collective identities and referencing key values. Employees become more motivated and they set more value-congruent goals and stay committed to their organization.

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