

A SURVEY ON THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP AND EMPLOYEE'S EMPOWERMENT: A STUDY AMONG IRANIAN HOSPITAL EMPLOYEES

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ABSTRACT

Despite increasing attention to empowering employees, there is little understanding of how the process of empowering employees to happen. What cognitive and emotional processes that form the foundations of empowering employees and employee empowerment, organizational variables are set Rapysh nose. Although many scholars and writers have emphasized the critical role of leadership in the process of empowerment, but fewer studies have examined the effects of leader behaviors on employee empowerment. The research on the application of theory and literature to answer the question of how transformational leadership can empower employees? According to the data collected, this study shows that transformational leadership is very effective in empowering employees And significantly related to feelings of competence, perceived choice, perceived effectiveness, sense of meaning and sense of trust in others.

Keywords: *Transformational Leadership, Employee Empowerment, Iran*

INTRODUCTION

In an era of global competition where the environments are dynamic, many organizations shift the paradigms of their leaderships from a transactional style to transformational leadership style in order to achieve their strategies and goals (Bass, 1999; Howell and Avolio, 1993). Several management thinkers (Bass, 1999; Bass and Avolio, 1994; Hartog *et al.*, 1997) define transformational leadership as leaders who want to develop their follower's full potential, higher needs, good value systems, moralities and motivation. The ability of leaders to properly practice transformational styles in managing organizational functions may affect follower's performance (Howell and Avolio, 1993; Politis, 2002). Follower's performance can be seen in two major dimensions: task and contextual performance (Bohlander *et al.*, 2001; Eysenck, 1998). Specifically, it may be viewed as a function of the capacity to perform, the opportunity to perform, and the willingness to perform. Surprisingly, a careful investigation reveals that the effect of transformational leadership on follower's performance is indirectly affected by empowerment (Bartram and Casimir, 2007; Moye and Henkin, 2006). For example, leaders who give sufficient power to followers will encourage them in using their intellect and fullest potential to overcome job obstacles, understanding the targeted goals and supporting the organizational interests. The nature of this relationship is interesting however; little is known about the mediating effect of empowerment in the leadership model (Abidin, 2008). Previous studies over-emphasize on a segmented approach and direct effects model in analyzing transformational leadership and less attention was given to the significance of empowerment in developing transformational leadership models (Bartram and Casimir, 2007; Moye and Henkin, 2006; Howell and Avolio, 1993; Humphreys, 2002; Politis, 2002). Specifically this research is conducted in a Multinational Company (MNC) operating in Iran whose home country is the United States of America (USA). Will the managers hired by the USA Company implementing transformational leadership style produce high level of follower's performance despite different location of business? Furthermore, the location of this MNC is in Sarawak where more than 30 ethnic groups reside and many of which are aborigines. Therefore, this study was conducted to examine two major objectives: firstly, to examine the effect of transformational leadership on follower's performance. Secondly, to investigate the

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mediating effect of empowerment in the relationship between transformational leadership and follower's performance.

MATERIALS AND METHODS

Methodology: Research Design

This study used a cross-sectional research design. Researchers integrate training management literature, the in-depth interview, the pilot study and the actual survey as a main procedure to gather data. The use of such methods may gather accurate and less biased data (Cresswell, 1998; Sekaran, 2000). This study was conducted at a MNC operating in Iran (USSUBSIDFIRM). At the initial stage of data collection procedure, the interview was conducted based on the guidelines established by Easter by-Smith *et al.*, (1991), and Usunier (1998). Firstly, the researchers designed flexible interview questions which related to five issues: transformational leadership practices, empowerment features, follower performance characteristics, effect of transformational leadership on follower's performance, and effect transformational leadership and follower's empowerment on follower's performance. Secondly, a purposive sampling technique was used to identify four interviewees (i.e., one HR manager and three experienced supporting staff in the Human Resource Department of the organization) who have good knowledge and experiences about compensation system practiced in the organization. Thirdly, information gathered from such interviewees was constantly compared to the related literature review in order to put the research results in a proper context. The results of the interview were content analyzed in order to clearly understand the particular phenomena under study. Finally, the categorized information was used as a guideline to develop the content of survey questions for a pilot study. Next, a pilot study was done by discussing the survey questionnaire with four employees of the studied organization: HR manager, HR manager's assistant and two experienced supporting staff in the Human Resource Department. Their feedbacks were used to verify the content and format of the survey questionnaire for an actual study. Back translation technique was used to translate the content of questionnaires in Persian and English in order to increase the validity and reliability of the instrument (Hulland, 1999; Sekaran, 2000).

Sample

The unit of analysis for this study was employees of the USSUBSIDFIRM. A convenience sampling technique was used to distribute 150 survey questionnaires to employees in the studied organization. Of the number, 118 questionnaires were returned and all usable, yielding a response rate of 78.6 percent. The number of survey participants exceeds the minimum sample of 30 respondents as required by probability sampling technique. Thus, the data collected can be analyzed using inferential statistics (Leedy and Ormrod, 2005; Sekaran, 2000). A Statistical Package for Social Science (SPSS) version 16.0 was used to analyze the construct validity and reliability and thus test the research hypotheses.

RESULTS AND DISCUSSION

Findings Participant's Characteristics

Table 1 shows the results of Pearson correlation analysis and descriptive statistics. The means for the variables are from 4.81 to 6.70, signifying that the level of transformational leadership practices; empowerment and follower's performance are ranging from high (4) to highest level (7). The correlation coefficients for the relationship between the independent variable (i.e., transformational leadership) and the mediating variable (i.e., empowerment), and the relationship between the dependent variable (i.e. follower's performance) were less than 0.90, indicating that the data were not affected by serious collinearity problem (Hair *et al.*, 1998).

In terms of testing a direct effect model, transformational leadership practices positively and significantly correlated with follower's performance ($r=0.386$, $p<0.000$), therefore H1 was supported. This result demonstrates that the ability of leaders to properly implement transformational styles (i.e., intellectual stimulation, individualized consideration, idealized influence (attributed), and idealized influence (behavior) has directly increased follower's performance in the studied organization.

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Table 1: Pearson correlation analysis and descriptive statistics

Variables	Mean	Standard Deviation	Pearson Correlation (r)		
			1	2	3
1. Transformational Leadership	4.81	1.42	(1)	-	-
2. Empowerment	5.15	1.06	0.321**	(1)	-
3. Follower's Performance	6.70	1.22	0.386***	0.478***	(1)

Note: Significant at ** $p < 0.01$; *** $p < 0.001$

Reliability estimation are shown diagonally (value 1)

Discussion and Implications

This study confirms that the mediating effect of empowerment exists in the relationship between transformational leadership and follower's performance in the organizational sample. In the USSUBSIDFIRM, leaders have properly implemented transformational styles (i.e., individualized consideration, idealized influence (attributed), and idealized influence (behavior) in managing organizational functions. Besides that, majority employees perceived that such leadership practices had increased their empowerments in implementing job functions. Consequently, it may lead to increasing their performance in the organization.

The implications of this study can be divided into three major aspects: theoretical contribution, robustness of research methodology, and contribution to practitioners. In term of theoretical contribution, this study revealed that empowerment does act as a mediating variable in the relationship between selected leadership and follower's performances. This outcome is consistent with studies by Moye and Henkin (2006) and Bartram and Casimir (2007). In sum, the findings of this study have supported and broadened leadership research literature mostly published in Western countries. Thus, the notion of empowerment has been successfully applied within the leadership management models of the studied organization. With respect to the robustness of research methodology, the data gathered using leadership management literature, the in-depth interviews, pilot study and survey questionnaires have exceeded an acceptable standard of validity and reliability analysis, thus may lead to the production of accurate and reliable findings.

Conclusion

This study confirms that empowerment act as a full mediating role in the relationship between transformational leadership and follower's performance in the organizational sample.

This result has supported and extended leadership research literature mostly published in Western organizational settings.

Therefore, current research and practices within transformational leadership models need to consider empowerment as a critical aspect of organizational leadership styles where increasing follower's empowerments in managing organizational functions may strongly induce positive subsequent attitudinal and behavioral outcomes (e.g., competency, satisfaction, commitment, trust, and positive moral values). Thus, these positive outcomes may motivate employees to sustain and support organizational competitiveness in a global economy.

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