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## **PREDICTION OF STAFF INNOVATION BASED ON TRANSFORMATIONAL LEADERSHIP STYLE AT THE IMAM KHOMEINI RELIEF COMMITTEE (RA) IN TEHRAN**

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### **ABSTRACT**

The aim of this research is to investigate the correlation between the transformational leadership style and employee innovation in Imam Khomeini Relief Foundation of Tehran. This study has a descriptive-correlative method and is among the applied studies in terms of objective. The statistical population consists of all 420 employees in Imam Khomeini Relief Foundation of Tehran. The sample size is equal to 200 based on Cochran Formula and the samples are selected according to simple random sampling. The measurement tools in this study are the Bass and Avolio standard questionnaire (1995) for transformational leadership and 12-item Dourabcheh Standard questionnaire (1998). The descriptive statistics (descriptive tables, diagram) and inferential statistics (Linear and multivariate regression) methods are utilized for data analysis and the data is processed by SPSS software. The results of analysis indicate that the transformational leadership style generally explains about fifty percent of changes in employee innovation as the dependent variable in Imam Khomeini Relief Foundation of Tehran. The results of regression analysis for the correlation between the transformational leadership style and innovation indicate that there is a significant correlation between these two variables, and they create 0.46 standard deviation of increase in innovation for one unit standard deviation of increase in inspirational motivation and 0.36 standard deviation of increase in innovation for one unit standard deviation of increase in individual consideration. Furthermore, there is no observed significant correlation between the idealized behavior and cultural stimulation with innovation.

The regression line equation is as follows:

Innovation= -0.720 + (0.567) Transformational leadership style

Innovation= -0.159 + individual consideration (0.923) + inspirational motivation (1.287) + idealized characteristics (0.983).

**Keywords:** *Transformational Leadership Style, Employee Innovation*

### **INTRODUCTION**

Nowadays, the need for creative and innovative people in organizations is significantly important. The appropriate leadership and management are essential for innovation and promoting the knowledge in any organization. The leadership is a social phenomenon which has been more discussed.

The leadership is a global activity which is necessary for social performance and organizational effectiveness (Bay, 1990). According to Mandell (2004), most of the researchers believe that the leadership can be defined as the process of influencing the followers and its results which happen between a leader and his followers.

There are different leadership styles which reflect the manager's way of interaction with staff. The features, which are proposed as the bases for the transformational management theory, are evident in four dimensions constituting this management style, so that the leaders pay attention to other individuals' requirements before their own needs, avoid the use of power for personal purposes, explain the high moral standards, emphasize on trust, provide the authentic moral values, consider the ethical consequences of decisions, and provide the perspective in the field of idealized effectiveness (Griffin, 2005).

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For applicable transformational leadership, it requires four components or factors known as the constituents of this theory. These factors are as follows: idealized influence, inspirational motivation, intellectual stimulation, individual consideration (Zahedi, 2006).

If the managers in the organization seek to create, retain and share knowledge among the employee through transformational leadership style and utilization of knowledge management, they will provide the wider and more prepared environment for assistance. The innovation and in knowledge and knowledge management provides the infrastructure for competition between staff and enhances the organizational performance (Redman *et al.*, 2009). Since the transformational components have a direct impact on the innovation and the innovation in new generation of education according to the rapid development of technology in the world requires the development and keeping pace with the world's scientific community, it is essential to conduct research on the transformational leadership style and as the innovation and creation are necessities for development of today's organizations, it is essential to conduct this research. Therefore, this study seeks to investigate the effect of transformational leadership style on the innovated employees in the Imam Khomeini Relief Foundation.

### **MATERIALS AND METHODS**

This research is applied based on the objective and it is descriptive-correlative in terms of method.

**Statistical population:** The studied statistical population consists of all 420 employees in the Imam Khomeini Relief Foundation of Tehran.

#### ***Sample Size and Sampling Method***

200 subjects are selected as the sample size through the simple random sampling and according to Cochran Formula.

#### ***Data Collection Method, Research Tools and Method***

The questionnaire is utilized for data collection in this research.

The measurement tools in this study are the Bass and Avolio standard questionnaire (1995) for transformational leadership and 12-item Dourabcheh Standard questionnaire (1998). The descriptive statistics (descriptive tables, diagram) and inferential statistics (Linear and multivariate regression) methods are utilized for data analysis and the data is processed by SPSS software.

#### ***Validity and Reliability***

To assess the validity, the research questionnaire is given to three expert professors and then implemented after their approval.

Cronbach's alpha method is utilized for measuring the validity, so that 30 employees in Imam Khomeini Relief Foundation are selected through totally random method and the innovation and leadership style questionnaires are distributed among them and then collected after completion and Cronbach's alpha coefficients are obtained equal to 0.853 and 0.780, respectively, and the questionnaires are reliable since the obtained values of alpha are higher than 0.70 or close to 1.

#### ***Research Questions***

- 1- Is there is a correlation between the transformational leadership style and employee innovation in Imam Khomeini Relief Foundation of Tehran?
- 2- Is there is a correlation between dimensions of transformational leadership style and employee innovation in Imam Khomeini Relief Foundation of Tehran?

### **RESULTS AND DISCUSSION**

#### ***Results***

**First question:** Is there is a correlation between the transformational leadership style and employee innovation in Imam Khomeini Relief Foundation of Tehran?

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**Table 1: Summary of regression results about the correlation between the transformational leadership style and innovation**

Multiple correlation coefficient	Coefficient of determination	Adjusted coefficient of determination	Standard error of approximation
0.711	0.506	0.503	5.363

The results of Table (1) indicate that the multiple correlation coefficient is equal to 0.711, the coefficient of determination equal to 0.506 and the adjusted coefficient of determination equal to 0.503, thus it can be concluded according to the coefficient of determination that the transformational leadership style totally explains about 50% of changes in employee innovation as the dependent variable in Imam Khomeini Relief Foundation of Tehran.

P= 0.05 and F= 203.752

**Table 2: ANOVA**

	Sum squares	of Degrees freedom	of Mean square	F	Significance level
Regression	5859.718	1	5859.718	203.757	0.000
Residual	5722.918	199	28.758		
Total	11582.673	200			

In Table 2, according to the f value, which is equal to 203.757, the significant level is lower than 0.05 and confirms the regression model, thus the independent variable is able to predict changes in dependent variable.

**Table 3: Coefficients of variables associated with the regression equation**

Independent variable	Non-standardized coefficients		Standardized coefficients	t	Significance level
	B	Standard Error	Beta		
Constant value	-0.720	2.309		-0.312	0.000
Transformational leadership style	0.567	0.040	0.711	14.274	0.000

As shown in Table (3), the Multiple Correlation between the transformational leadership style and innovation indicates that the transformational leadership style with beta of 0.711 is able to explain the dependent variable; in other words, for one standard deviation of increase in transformational leadership style, 0.711 of standard deviation increase is created in innovation.

According to the coefficients of Table 3, the regression line equation is as follows:

Innovation= -0.720 + Transformational leadership style (0.567)

**Second question:** Is there is a correlation between dimensions of transformational leadership style and employee innovation in Imam Khomeini Relief Foundation of Tehran?

**Table 4: Summary of regression results about the correlation between dimensions of transformational leadership style and innovation**

Multiple correlation coefficient	Coefficient of determination	Adjusted coefficient of determination	Standard error of approximation
0.733	0.537	0.526	5.242

The results of Table (4) indicate that the multiple correlation coefficient is equal to 0.733, the coefficient of determination equal to 0.537 and the adjusted coefficient of determination equal to 0.526, thus it can be concluded according to the coefficient of determination that the dimensions of transformational leadership

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style totally explain about 53% of changes in employee innovation as the dependent variable in Imam Khomeini Relief Foundation of Tehran.

P= 0.05 and F= 45.303

**Table 5: ANOVA**

	Sum of squares	of Degrees freedom	of Mean square	F	Significance level
Regression	6224.311	5	1244.862	45.303	0.000
Residual	5358.326	195	27.479		
Total	11582.673	200			

In Table (5), according to the f value, which is equal to 45.303, the significant level is lower than 0.05, thus it confirms the regression model.

**Table 6: Coefficients of variables associated with the regression equation**

Independent variable	Non-standardized coefficients		Standardized coefficients	t	Significance level
	B	Standard Error	Beta		
Constant value	-0.159	2.318		-0.069	0.945
Idealized characteristics	0.983	0.275	0.267	3.576	0.00
Idealized behavior	-0.626	0.337	-0.173	-1.859	0.065
Inspirational motivation	1.287	0.183	0.463	7.032	0.00
Cultural stimulation	0.021	0.388	0.006	0.054	0.957
Individual consideration	0.923	0.280	0.369	3.293	0.001

As shown in Table (6), the Multiple Correlation between dimensions of transformational leadership style and innovation indicates that the idealized characteristics with beta of 0.26, the inspirational motivation with beta of 0.46, and the individual consideration with beta of 0.36 are able to explain the dependent variable; in other words, for one standard deviation of increase in idealized characteristics, 0.26 of standard deviation increase is created in innovation. Thus there is a significant correlation between them; and for one standard deviation of increase in inspirational motivation, 0.46 of standard deviation increase is created in innovation, and also for one standard deviation of increase in individual consideration, 0.36 of standard deviation increase is created in innovation. Moreover, there is no correlation between the idealized behavior and cultural stimulation with innovation.

According to the coefficients of Table (6), the regression line equation is as follows:

Innovation= -0.159 + idealized characteristics (0.983) + inspirational motivation (1.287) + individual consideration (0.923)

**Discussion**

The leadership is one of the important and complex indices with direct effects on the employee behavior and performance in any organization. This study investigates the transformational management style. The utilization of this managerial method has been associated with the employee performance.

According to the analysis of first question (Is there a correlation between the transformational leadership style and employee innovation in Imam Khomeini Relief Foundation of Tehran), it is concluded as follows:

Given the multiple correlation coefficient equal to 0.711 and the coefficient of determination equal to 0.506, the transformational leadership style can generally explain 50% of changes in employee innovation as the dependent variable in Imam Khomeini Relief Foundation of Tehran. The Multiple Correlation Coefficient between the transformational leadership style and innovation indicates that the

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transformational leadership style with beta of 0.711 is able to explain the dependent variable. These results are consistent with the findings by Khodayari (2006) who has argued that the managers, who utilize the transformational leadership styles, are more successful in increasing the rate of innovation in employees.

According to the analysis of second question (Is there a correlation between dimensions of transformational leadership style and employee innovation in Imam Khomeini Relief Foundation of Tehran), it is concluded as follows:

Given the Multiple Correlation Coefficient equal to 0.733 and the coefficient of determination equal to 0.537, the dimensions of transformational leadership style can generally explain 53% of changes in employee innovation as the dependent variable in Imam Khomeini Relief Foundation of Tehran. The Multiple Correlation Coefficient between dimensions of transformational leadership style and innovation indicates that the idealized characteristics with beta of 0.26, the inspirational motivation with beta of 0.46, and the individual consideration with beta of 0.36 are able to explain the dependent variable. These results are consistent with the findings by Keegan and Hartog (2004). According to their research, despite understanding the low transformation by senior managers, there is slightly weaker correlation between the transformational leadership and expected result for senior managers than the operational ones.

### **Suggestions Based on the Research Findings**

- According to the research findings, it is found that the transformational management has an impact on innovation by personal knowledge sharing, thus it is suggested developing the comprehensive programs by managers to enhance the employee innovation as well as motivating them and utilizing their tacit knowledge in exchange for appropriate organizational rewards.
- Creating the specified reward systems by managers plays the significant role in encouraging the individuals to share further knowledge.
- The high level of competition between organizational units through the components of transformational management (intellectual stimulation, motivation) will lead to the employee innovation.
- Given that the transformational management can improve performance through knowledge sharing, so the managers can utilize the special application and capabilities to improve the employee performance by inspiration of its component. They can increase the employee creativeness by creating the appropriate workplace as well as giving the ideas to them.
- To develop and promote innovation in employees, it is suggested that the employees should be rewarded for good work performance; the growth conditions should be provided for successful staff; the successful employees should be involved in decision-making and have further freedom of action in promoting the innovation.

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