PREDICTION OF SOCIAL CAPITAL BASED ON THE TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP STYLES

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ABSTRACT

The purpose of the present study is to investigate the relationship between the Transformational and Transactional leadership styles with social capital at departments of education in Tehran during the school year of 2012-13. The research method is descriptive and has correlative type. The statistical population consists of all 5000 principals working at in the departments of Education in Tehran. The sampling has the stratified random and simple type and the sample size is obtained equal to 400 according to Kerjcie and Morgan Table. This study applies two standard questionnaires with the aim at investigating the relationship between the principals' transformational and transactional leadership styles with social capital. The first questionnaire is the standard questionnaire of social capital (2005) by Nazmohammad Ounagh with 28 items, the second is the transactional and transformational leadership style questionnaire (MQL) with 36 items. The validity of social capital questionnaire is 93% and 96% for leadership style questionnaire. The results of multivariate regression analysis indicate that there is a positive significant relationship between the principals' transformational and transactional leadership styles with social capital at departments of education. Finally, the regression equation is obtained as follows. Social capital= 85.269+ 0.129 (transactional style) + 0.228 (transformational style).

Keywords: *Transformational Leadership, Transactional Leadership, Social Capital*

INTRODUTION

The new century has brought a new wave of change. The environment of the organizations is more dynamic than before. It has made the organizations explore the new ways for success and even survival in such an environment, and move towards flexibility, dynamism, and transformation (Beigi, 2008). In order to cope with the unsecure environment and continuous changes, there is an urgent need for people who play the role of a leader. It is clear that a traditional leader cannot survive in the third millennium, and the world needs the leaders who are transformational (Chorli, 2005). Because, the activities of a transformational leader provide the companies with the possibility to promote their performance, when they compete in an unpredictable, and unstable environment. The origin of transformational leadership transactional goes back to 16th century in studies done by Makiavel. Furthermore, this term was independently used by Miller (Joseph, 2009), for the first time, and Bass and Avolio developed it (Bozbura, 2000), regarding different viewpoints, theoreticians presented different theories which changed the leadership views. In 1950s, the studies continued following behavioral approach. The most important change in the recent stage was introducing transformational and transactional leaderships by Burns (1987) which Bontis (Chun, 2010), refers to it as "new leadership viewpoint" (Russell, 2002). The theory of transformational leadership is in line with Weber's theory of non-material power. In fact, the transformational leadership is a spiritual, moral, and Conscious process which includes equal patterns of power relations between the leader and the followers in order to attain the collective goals. In other words, transformational leaders emphasize on strengthening the followers, and following the official and organizational changes in systems, processes, and values (Avolio and Bass, 2002).

 In fact, the people who change the world are the transformational leaders and managers. These managers have more freedom in their activities. They lead the subordinates to move, inspire them to attain the goals. They keep their relations with subordinates, and share the information with them. In this regard, the transformational leadership consists of four main dimensions: 1. the dimension of idealized influence

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(attributes and behavior) which makes the leader pay attention to other's needs rather than his own needs; 2. Dimension of inspiring motivation pays attention to the use of symbols, and presenting ideas to affect and activate the followers' mind. 3. Dimension of mind persuasion refers to the leader's strength which make him help colleagues to solve old problems by applying new solutions; 4. Regarding individual attributes, the leader should have developmental attitude (empowerment) towards his followers, and consider them as independent identities (Avolio and Bass, 2002), Regarding the research problem, the researchers in this study try to find the most effective components of transformational leadership which form this variable, and investigates the related items. In this regard, Dubrin (2001), in their research entitled, "transformational leadership in high level management of human resources: a comparative study of leadership style and management in organization (from dimensions of knowledge management)" investigated the relationship between transformational leadership style and leadership and management in organization. The results of the study showed that although high level managers had a little of transformational leadership attributes, the relationship between transformational leadership and expected result was lower for high level managers compared to operational managers. Heidari (2008), investigated the effect of transformational leadership style and quality management on knowledge management. They wanted to know the role of transformational leadership as a mediator in knowledge management. The results showed that transformational leadership and quality management do not have continuous effect on knowledge management. On the other side, the increase of transformational leadership is the basis of emphasis on knowledge. The impact of quality management on the performance of the organization is incomplete. Vivan Chen (Chun, 2010) revealed that the dimensions of transformational leadership have strong effect on some attitudes like, job satisfaction, organizational commitment, and organizational behaviors of the teachers. Bycio *et al.,* (1995) cites Stone (Russell, 2002), study of the relationship between transactional leadership style and organizational commitment. The results showed that there is a significant relationship between transformational and transactional leadership styles and commitment. There is also a positive relationship between all dimensions of transformational leadership and emotional commitment. Two dimensions of transformational leadership (individual attention and charisma leadership) have a positive relationship with emotional and assigned commitment. Een (2001) cites Poursoltani (2008), who believes that through inspiration (transformational micro scale), adopted by leadership, the sense of belonging increases in the organization, and transformational leadership style increases the emotional commitment. In a study, Joseph and Shanider (2009), found that one of the components of transformational leadership (attention to individual differences) has a negative relationship with dissatisfaction. On the contrary, the micro scale of transactional leadership (passive management), has a positive relationship with four indexes of stress. Moradi (2009), conducted a study entitled, "transformational leadership, a reaction to the present limitations to assessing the traditional information systems". In his study, he investigated the expertise of financial managers in England in order to state some of the concepts related to transformational leadership style. The results of the study showed that assessment in the form of transformational leadership is a special responsibility for making decision about the evaluation of information systems. In this process, transformational leadership is a tool based on which individuals accept the consequence of their activities.

Social capital is considered a crucial and vital ingredient in the development of economic institutions (De Graaf, 1998), A vast variety of social processes, patterns and practices determine the social capital of a social unit, including social support, integration, social cohesion (Liukkonen, 2004), team work, density of exchanges with colleagues (Oh, H & Labianca,2004), reduced probability of opportunism, cost of monitoring (Putnam, 2000), encouraging cooperative behavior, facilitating the development of new forms of association and innovative organization (Fukuyama, 1995), (Putnam, 2000), resolving disputes (Green, 1997), taking advantage of new opportunities (Requena, 1991), and featuring the structure, not of the individual actors within the social structure; an ecologic characteristic (Lochner and Kennedy, 1999). The concepts of social capital seem to have been classified in to three different groups: Cognitive dimension: The cognitive dimension of social capital refers to attributes like a mutual belief or shared paradigm that promotes a common understanding of collective goals and the proper ways of acting in

Research Article

the social environment (Tsai and Ghoshal, 1998). The social capital's cognitive dimension may enable knowledge sharing in the sense that stories, shared language, customs and traditions can bridge the tacit-explicit division as well as division in terms of, for example, old-timers-newcomers (Hinds and Pfeffer, 2003). The cognitive dimension refers to those resources that provide shared representations, interpretations, and systems of meaning among parties. This includes shared language and codes as well as shared narratives, which increase the mutual understanding among individuals and help members communicate more effectively (Cabrera, 2005).

Structural dimension: The structural dimension of social capital focuses mainly on the density of networks and on bridging structural holes (Burt, 1992), Structural social capital facilitates information sharing, and collective action and decision making through established roles, social networks and other social structures supplemented by rules, procedures and precedents (Uphoff, 2001).

Relational dimension: McDonald (2000) has tried to include a motivational element into the design of expertise recommender systems. He augmented an expert recommendation system with social networks. Therefore, the recommender system would suggest first those experts who had the closest social ties with the person asking.

MATERIALS AND METHODS

This research is applied in terms of objective and is a kind of correlative study. The statistical population consists of all 5000 principals working as the management at department of Education in Tehran during the school year of 2012-2013. According to the sample size in Morgan Table, 400 individuals are selected according to stratified random sampling and the questionnaire is distributed among them. The applied tools are the standard questionnaire of social capital (2005) with 28 items by Nazmohammad and then Bass and Avolio transformational and transactional leadership style questionnaire (1985) (MQL) with 36 items. The validity of social capital questionnaire is equal to 93% and 96% for leadership style questionnaire. The linear multivariate regression analysis and SPSS software are utilized for analyzing the obtained data.

In this regard, the main question of this study is as follows: To what extent is the portion of each variable of principals' leadership style in explaining the principals' social capital at Department of Education in Tehran?

RESULTS AND DISCUSSION

Results

The multivariate regression analysis is applied for examining the research hypotheses according to the research questions, types of variables, and collected data. The statistical indexes associated with the subjects' scores in social capital, and leadership style questionnaires are presented in Table 1:

Table 1: Summary of descriptive indicators associated with the principals' transformational and pragmatic styles and emotional intelligence and their social capital

	Mean	Median	Mode	SD	Skewness	Kurtosis	Minimum	Maximum	Kolmogorov-Smirnov	Significance level
Transformational	59.6925	56	58	9.40207	0.400	0.674	25	92	0.938	0.182
Transactional	38.6100	38	37	7.28736	0.338	0.227	22	63	1.323	0.060
Social Capital	84.5600	83	79	1.6649	0.280	0.490	40	135	1.257	0.057

The values above indicate that the median, mode and mean are close to each other for all variables and the values of skewness and kurtosis, which are less than 1, indicate that the data is normally distributed and the mean can be used as an index in parametric statistics.

Main research hypothesis: There is a correlation between the principals' leadership style with social capital at departments of education in Tehran.

Research Article

In this regard, the linear regression analysis is applied to determine the contribution of each independent variable (transformational and transactional leadership style) on the dependent variable (social capital). The regression analysis allows the researcher to predict the variability of independent variables through the independent variables and determine the portion of each independent variable in explaining the dependent variable; the results are presented as follows.

Table 2: Obtained regression coefficients

Independent variables	Dependent variable: Social capital				
	Unstandardized coefficients		Standardized coefficients	t	Significance level
	B	standard error of estimate	Beta		
Constant value	85.269	6.491		13.136	000
Transformational leadership style	0.404	0.095	0.228	4.228	000
transactional leadership style	0.295	0.121	0.129	2.436	0.015

F = 7.413, R= 0.231, R2= 0.053 and adjusted R2= 0.046

According to the data in Table 2, the value of R2= 0.053 indicates that 5.3% of variance changes in social capital variable can be justified by principals' transformational and transactional leadership styles. The observed value of R (0.231) also indicates that the linear regression model can be applied for prediction. Furthermore, the ratio of calculated F (7.413) is also significant at the confidence level of 99%. According to the data of table, the transformational style is significant with a beta coefficient of 0.228, t=4.228 and the significance level of 0.000, the transactional style with beta coefficient of 0.129, t = 2.436, . It can be concluded that according to the signs of calculated coefficients which are positive, there is a significant positive relationship between the principals' transformational and transactional leadership styles with social capital. In other words, the social capital is increased by enhancing the principals' transformational and transactional leadership styles.

Social capital= 85.269+ 0.228 (transformational style) + 0.129 (transactional style)

First sub-hypothesis: There is a relationship between the principals' transformational and transactional leadership styles and social capital.

Table 3: Obtained regression coefficients

Independent variable	Dependent variable: Social capital				
	Unstandardized coefficients		Standardized coefficients	t	Significance level
	B	Standard error of estimate	Beta		
Constant value	93.497	5.659		16.521	000
Transformational	0.360	0.090	0.203	3.810	000
transactional	0.298	0.122	0.130	2.439	0.015

F= 7.802, R= 0.194, R2= 0.038, and adjusted R2= 0.033

According to data of Table 3, the value of R2= 0.038 indicates that 3.8% of changes in variance of social capital variable can be justified by principals' transformational and transactional leadership styles and the observed value of R (0.194) also indicates that this linear regression model can be used for prediction.

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Furthermore, the ratio of F calculated (7.802) is significant at a confidence level of 99 percent and according to the data of table, the transformational style is significant with beta coefficient of (0.203) t=3.810 and significance level of 0.000, the transactional style with beta coefficient of 0.130, t=2.439 and significance level of 0.015.

It can be concluded that according to the signs of calculated coefficients, which are positive, there is a significant positive relationship between the principals' transformational and transactional leadership styles with social capital; in other words, the increased transformational and transactional leadership styles will lead to the enhanced social capital.

Social capital= 93.497 + 0.203 (transformational style) + 0.130 (transactional style)

Discussion

In response to the main question, based on the relationship between the principals' transformational and transactional leadership styles with social capital, the regression test is applied and the results indicate that there is a positive and significant relationship between the principals' transformational and transactional leadership styles with social capital. This finding is consistent with the findings by the following researchers;

4- Nemati (2012), conducted a study entitled as "Investigating the impact of principals' transformational and transactional leadership styles on social capital at high schools of Kerman City" and achieved the following results:

The transformational leadership style affects the social capital and the managers with pragmatic leadership styles have lower impact on social capital.

The regression test is applied in response to the first subsidiary question based on the relationship between the managers' transformational and transactional leadership styles and social capital. The results of test indicate that there is a relationship between the managers' transformational and pragmatic leadership styles and social capital. This finding is consistent with the findings by following researchers:

1- Seyed and Miri (2011), conducted a study entitled as the role of transformational leadership in development of social capital with an emphasis on the organizational justice (Case Study: Pars Oil and Gas Company) and achieved the following results.

2- Zarei (2009), had declared in his study that most of the managers in human resource sector of the National Iranian Oil Company have transformational leadership styles and this leads to an open system and reduces the control. Finally, the findings of this study indicate that the social capital strengthens the transformational leadership style in the organization.

3- In a study by Antowan (1988) in the field of leadership styles and the managers' efficiency, it is declared that the human-oriented leadership style (transformational) has created higher efficiency in managers than the task-oriented leadership style (transactional).

4- Turner (2010) revealed in a research that two main factors affecting the social capital of institutions and agencies are the managers' leadership styles and workplace.

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