Transformational Leadership and Employees Career Salience; an Empirical Study Conducted on Banks of Pakistan

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Abstract

The following study examines the relationship between transformational leadership and employees' career salience. This research is conducted to answer the question that whether employees' career salience has association with transformational leadership. This study focuses only on banking sector. Transformational leadership is measured using its four dimensions i.e. idealized influence, intellectual stimulation, inspirational motivation and individualized considerations, relationship is determined with employees' career salience. The data was collected from five banks. 350 questionnaires were distributed for collection of data. For the analysis of data Correlation analysis was used. Findings of this study revealed that transformational leadership and all its dimensions have insignificant relationship with employees' career salience. Newness of this study is its originality that concerns with relationship between transformational leadership and employees' career salience. Limitations and future research is also discussed.

Keywords: Transformational leadership, employees' career salience, banking employees

1. Introduction

The degree of importance of career in one's life is known as career salience. By what means an individual cares about his / her career comes into the room of it. It also displays the scope that one deliberates career as priority in his / her life. It is observable that so forth occupation is assumed by a person is accepted to meet the ends, but the level of taking career as the most significant object in lifespan diverges from individual to individual. (Savickas, 2001) states the career salience as an occupational choice, prominence of role career which is related to the occupational significance and other dealings of life. Career salience deals with the relative worth of work and career in an individual entire life.

There are numbers of factors on which career salience is dependable such as sociological, financial, educational or economical. There are different socio-psychological characteristics that affect individuals' career salience and these characteristics vary from individual to individual. Betz (1987) characterize these characteristics as personality, attitude, values, self-esteem and interests. Individual motive, attitude, preferences, commitment and values which affect career salience are the significant recognizer of personal interests and goals. One's level of importance to one's job is also determined on the basis of these characteristics and these are influenced by leadership style. Leadership can affect many work related behaviors like, employee's attitude, motivation and performance, Job involvement all of which can affect the degree of employees' career salience. (Nevill & Super, 1986) describes that Individuals who give superior prominence to their career get more satisfaction from what they do.

The degree to which employees show their emotional intimacy with organization is largely influenced by leadership style. There is a leader and style of that leader is one of the most important determinants of employee's commitment and this commitment refers to degree of employees' career salience (Ramchandran and Krishnan, 2009).Bass (1985) proposed that there are two main styles of leadership i.e. transformational and transactional. Transactional leaders' inspire employees to attain expectable degree of performance by helping them to be aware with job accountabilities, identify goals and figure up self-confidence approximately meeting the anticipated performance stage. Transformational leaders fetch a positive change in those who shadow them. They are frequently energetic, intense, passionate and reimbursing consideration on the achievement of every member of the group. As past research shows that career salience is affected by Job Involvement and job involvement with organizational commitment and this commitment level is affected through transformational leadership. Ting (2011) mentions the direct impact of job involvement on organizational commitment. Riaz et al. (2011) concluded that there is positive impact of transformational leadership on employees' affective commitment. Kiyani et al. (2011) mention the positive and significant relationship between job involvement and career salience.

In Pakistan security threats, terrorism, unemployment and inflation is changing the thinking patterns of individuals. In the face of their problems meeting both ends is becoming tough, that make individuals more serious about their careers. The Banking sector was taking for this study. There are striking differences between the working conditions of these banks. These banks passed through the reign of nationalization, Privatizations, Restructuring, Mergers, Acquisitions, and Takeovers which not only change the working environment but also organizational structure as well which leads to changes in the leadership behaviors and styles also.

Different studies have been conducted on leadership and determinants of career salience such as Mert et al. (2010) mentions that organizational commitment of employees is positively affected by transformational leadership. But no direct study has been still conducted on leadership and employees career salience with reference to any organization. The purpose of this study is examining the extent to which employee's career salience is influenced by transformational leadership style with respect to Pakistani Banking sector. To the best of researchers' knowledge no research has been carried still in this regard with respect to national and international context which provides a substantial research gap. This research answers the question that whether employees career salience toward organization has association with transformational leadership.

Findings will enable organizations to adjusting their plans regarding the leadership style of the organization so that employees start taking their career as the most important object. Leadership styles perform the vital role in the employees' career salience for seeking new employment. The study also provide tool to retain the employee by stimulating their level of career salience to the organization.

2. Previous Research

Leadership style largely affects the emotional familiarity with organization shown by employees. Bass (1985) and Stogdill (1963) recommended that there are two key leadership style exists. These are transformational and transactional. Transformational leaders persuade their underlings to keep emphasis on their beliefs and on making efforts to arrange their individual beliefs with the organizational beliefs in a line (Givens, 2008). Transformational leaders can have a huge influential personality by supporting the employee's goal achieving beliefs, by focusing on the relation between efforts of employees with goal accomplishment and by building a large amount of personal commitment on the behalf of both subordinates as well as leaders in order to accomplish the eventual and mutual vision, mission and goals of the company (Shamir et a. 1998).

Bass (1998) concluded further that transformational leadership can be subdivided in to four more facets which are charismatic leadership, inspirational motivation, intellectual stimulation and individualized considerations. These facets are interlinked with each other. Bass (1998) described that charismatic leadership on the basis of its features is again further divided into two constituents. These are charisma and idealized influence. Employees are always inspired by their ideal leaders. These inspirational leaders inspire their commitment and loyalty towards company with the help of giving a specific direction to their activities, creating self-confidence among them and developing faith in grounds. Followers will be well aware of their significance towards work, start to work with passion, excitement, emotional attachment with commitment towards collective goals if they are influenced ideally. Employees can be benefitted through individualized consideration by supporting and coaching them. He explains that focus on employee's logical consideration and taking their suppositions in intellectual stimulation can boost up the morale of employees (Bass, 1985).

(Savickas, 2001) defines the career salience as an occupational choice, eminence of role career which is associated with occupational significance and other affairs of life. Greenhaus (1987) describes the career basically as an authority of position held by an individual in a specific organization and it is the preeminence of an employee whereas each individual in any organization performs a specific duty. Holmes and Cartwright (1993) concluded that a career is an expectable, successive and arranged path which allows employees to pass through different stages of professional lives. The process of change is so continuous due to the rapid dynamic environment. so an individual should keep renovating their skills and knowledge in order to cope with the rapidly changing environment.

Masih (1967) expresses that career salience is the degree that displays a person degree of attentiveness in ruthless occupation, prominence to his / her profession for the sake of satisfaction and level of distinction that is assigned to career as a character of satisfaction among other fundamentals of satisfaction. Greenhaus (1971) first time discovered the concept of career salience along with career commitment and he shapes that both are documented as one's significance to career and work in one's whole life span. In order to explain the concept of career salience it is further divided into three genera one was relative importance to work and career, second was overall attitude in the route of work and third was concern for planning and progress. Labeled career salience as one of the major fundamental of profession flexibility; it examines how people make career decisions. The concept of career salience has received a lot of attention in the career literature and particularly in the career development of women (Savickas, 2002).

Moya et al. (2000) indicates that men and women have same score ratio in career salience. Among the women, scoring for career salience varies and varies from women to children, while women having low literacy level and old gender thinking contradict with those who are having opposite features. (Almquist & Angrist, 1970) mentions that Female students are more conscious about their rights established by women movements as compared to males. Women who are attached with a career are different from those who are conventional women who are not having careers. These believe in partial support in relations and parent's supplementary activities. (Moya et al. 2000) mentioned that men are directed more towards career as compared to women as men are more employed more in direction of family positioning. Career salience and close relationship are affected by many dynamics like Characteristics of the individual, features of the relationship, characteristics of the partner. Although these dynamics affect career salience differ for men and women.

As it is discussed above that no research is conducted to show the direct relationship between transformational leadership and employees career salience but there are frequent components of career salience such as job satisfaction, commitment, preferences, job involvement, job satisfaction, commitment, personal characteristics (age, gender, race, job tenure etc.), employees' power their attitude, work behavior, motivation and performance. (Betz, 1987) Every individual possess some characteristics which affect the degree of career salience and these characteristics include personality, attitude, values, self-esteem and interests. Previous research proved that one personal and organizational factor that is well-thought-out as key ancestor of organizational commitment is leadership (Mowday et al.1982). As leadership is key antecedent of organizational commitment and commitment is an important determinant of Job involvement and job involvement is an important determinant of employees' career salience. Leadership can affect many work related behaviors like, employee's attitude, motivation and performance all of which can affect the levels of organizational commitment (Bass 1985 and Stogdill, 1963).There is a leader and style of that leader is one of the most important determinants of employee's commitment which is pronounced cause of employees' career salience (Ramchandran and Krishnan, 2009).

As it is discussed that attitude and commitment is an important determinant characteristics of career salience and these are affected by leadership so there must be an important relationship between leadership and career salience. Individuals who give greater importance to their career obtain more satisfaction from what they do (Nevill and Super, 1986). Mert et al. (2010) mention that organizational commitment is positively affected due to transformational leadership. Tseng and Kang (2008) suggest that transformational leadership is positively and significantly related to organizational commitment. As it is proposed that transformational leadership has been further explained through its facets and found that charisma, intellectual stimulation and individualize consideration facets of it are more considerably correlated with job satisfaction and organizational commitment (Emery and Barker, 2007). (Avolio et al. 2004) expresses that transformational leadership has positive relation with organizational commitment. Chiun et al. (2009) explains that transformational leadership with its various components is positively related with organizational commitment.

Lee (2004) states that transformational leadership has direct impact on employees' degree of commitment. Riaz et al. (2011) state the positive relationship between transformational leadership and affective employees' commitment. As in above discussion it is revealed that transformational leadership affects the organizational commitment but previous research also proved that there is direct impact of organizational commitment on job involvement and job involvement on employees' career salience. Uygur and Kilic (2009) mention the positive relationship between organizational commitment and job involvement. Evans (2000) concluded that job involvement improved the job commitment, job interest and performance. Blau and Boal (1989) mention that employees with more level of organizational commitment and job involvement have less absences while employees with less degree of organizational commitment and job involvement have more level of absences. Ting (2011) mentions the direct impact of job involvement on organizational commitment. Kiyani et al. (2011) mention the positive and significant relationship between job involvement and career salience.

The above literature shows that there is direct relationship exist between transformational leadership and organizational commitment and organizational commitment with the job involvement which is an important determinant of employees career salience. So transformational leadership indirectly influences the employees' career salience which is proved from above literature and this symbol expresses that there is some relationship also exists between these two. But still no study has been conducted which shows the direct relationship between them. So this study tries to investigate the direct relationship between Transformational leadership and employees' career salience which is totally a newness of this study and no research scholar has conducted study by considering these both variables jointly in one study not only in Pakistan but in other countries also.

In the light of extant literature following hypothesis and research model can be drawn
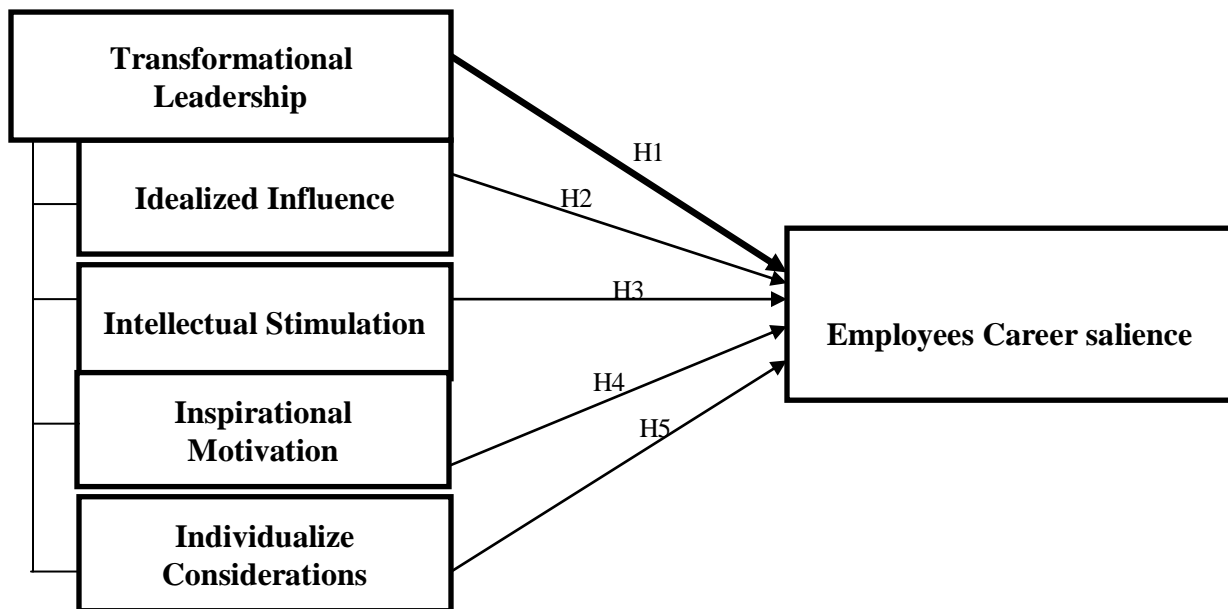

Figure 1: Research Model

3. Hypotheses

H1: There is significant relationship between transformational leadership and employees' career salience.
H2: There is significant relationship between Idealized influence and employees' career salience.
H3: There is significant relationship between Intellectual Stimulation and employees' career salience.
H4: There is significant relationship between Inspirational Motivation and employees' career salience.
H5: There is significant relationship between Individualize considerations and employees' career salience.

4. Research Method

Population, Sample & Sampling Technique

Banking sector was occupied for the this study due to consistent collaboration between managers (Leaders) and workers in it, so there would be a direct influence of managers leadership style on the attitudes of employees. Population of this study is the banking employees. Questionnaire was used as a tool of data collection. Using simple random sampling technique, five banks (MCB Bank Limited, Habib Bank Limited, United Bank Limited, Allied Bank Limited, Bank Alflah Limited) were selected. 350 questionnaires were distributed in those banks branches and 280 questionnaires were received back with a response rate of 80%.

Instrumentation

Multifactor leadership questionnaires constructed by Bass and Avolio (1997) were used to measure the transformational leadership. Multifactor leadership questionnaires were consisting of four dimensions of transformational leadership i.e. idealized influence, inspirational motivation, intellectual stimulation, and individualize considerations. Total 17 items were used for measuring transformational leadership. Five point likert scale ranging from (1= never to 5= always) was used for that purpose. The cronbach's alpha reliability scale of transformational leadership items were amounted to .761.Employee's career salience was measured through career salience questionnaires designed by Greenhaus (1971).Five point likert scale was used ranging from (strongly disagree = 1 to strongly agree = 5). The cronbach's alpha reliability scale of employees career salience items were amounted .706.The overall cronbach's alpha reliability scale (both of employees' career salience and transformational leadership) was amounted to .726.

Data Analysis

The research was directed in order to measure the employees' career salience concerning transformational leadership in banking sector of Pakistan. Data collected through questionnaire was analyzed by using SPSS 17.0 version.

5. The Results and Findings

The results of concerned issues are as follows.

Table 1- Descriptive statistics of respondents

Demographic information of the respondents is shown in table 1. Age, gender, qualification and work experience are shown in the table. This table shows that 54% of the respondents belong to the age between 20-30 years. 40% of respondents belong to the age between 31-40 years. 4% of the respondents belong to age between 41-50 years. 2% of the respondents belong to the age of 50 years. This table also shows the classification of respondents on the base of gender. 60% respondents were male and 40% respondents were female. Table shows that 79% respondents have master degree, 10% respondents have bachelor degree, 10% respondents have degree above master, and only 1% respondents have degree of intermediate. When respondents are classified on the base of work experience 94% of the respondents have work experience of equal or less than 10 years. 4% respondents have work experience between 11-20 years and only 2% of the respondents were having experience of above 20 years.

		Frequency(f)	Percentage
Age	20-30	151	54%
	31-40	112	40%
	41-50	11	4%
	>50	6	2%
Gender	Male	168	60%
	Female	112	40%
Qualification	Intermediate	3	1%
	Bachelors	28	10%
	Masters	221	79%
	Above Masters	28	10%
Work Experience (Years)	1-10	263	94%
	11-20	11	4%
	Above 20	6	2%

Table 2- Mean and S.D for transformational leadership, its dimensions, and career salience

	Mean	Standard Deviation
Transformational leadership	4.1916	0.36526
Idealized influence	4.2714	0.43118
Intellectual stimulation	4.2250	0.37424
Inspirational Motivation	4.1071	0.51773
Individualized considerations	4.1686	0.51097
Employees' career salience	4.1864	0.36958

Mean scores and standard deviation for overall transformational leadership, its dimensions and employees' career salience is shown in table 2. The mean score for transformational leadership is amounted 4.1916 which show that respondents are more agree with their transformational leadership. The score for all dimensions of transformational leadership indicates that respondents are mostly satisfied with all these dimensions. The mean score for employees' career salience (4.1864) also shows that overall respondents are more satisfied from their mentioned leadership style.

The correlation between transformational leadership, its dimensions and employees career salience are given below in table 3.

Table 3- Correlation between Transformational Leadership, its dimensions, and career salience

		T.L[1]	I.I[2]	I.S[3]	I.M[4]	I.C[5]
Idealized influence	Pearson Correlation	824[**]				
	Sig. (2-tailed)	.000				
Intellectual Stimulation	Pearson Correlation	.742[**]	.486[**]			
	Sig. (2-tailed)	.000	.000			
Inspirational Motivation	Pearson Correlation	.738[**]	.524[**]	.435[**]		
	Sig. (2-tailed)	.000	.000	.000		
Individualize consideration	Pearson Correlation	.832[**]	.608[**]	.524[**]	.373[**]	
	Sig. (2-tailed)	.000	.000	.000	.000	
Employees career salience	Pearson Correlation	.069	.113	.036	.053	.030
	Sig. (2-tailed)	.250	.059	.544	.376	.622

[**]. Correlation is significant at the 0.01 level (2-tailed).

1. Transformational Leadership   2. Idealized influence   3. Intellectual stimulation   4 Inspirational Motivation
5. Individualized Considerations

Table 3 shows the results of Pearson correlation. The table reveals the relationship between transformational leadership and employees' career salience. It also indicates the relationship between four facets of transformational leadership and employees' career salience.

The result in the table shows that there is insignificant and positive relationship between transformational leadership and employees' career salience (r=.069, p>0.05).This specific result rejects the hypothesis that there is significant relationship between transformational leadership and employees' career salience. The facet 'idealized influence' also indicates an insignificant and positive relationship with employees' career salience (r=0.113, p>0.05). This particular finding rejects the hypothesis H2 that there is significant relationship between idealized influence and transformational employees' career salience. The dimension 'intellectual stimulation' shows insignificant and positive relationship with employees' career salience (r= 0.036, p>0.05).This particular finding rejects the hypothesis H3 that there is significant relationship between intellectual stimulation and employees' career salience. The dimension 'Inspirational motivation' shows the insignificant and positive relationship with employees' career salience (r=0.053, p>0.05). This particular finding rejects the hypothesis H4 that there is significant relationship between Inspirational motivation and employees' career salience. The facet 'individualizes considerations' shows insignificant and positive relationship with employees' career salience (r=.030, p>.05). This particular finding reject the hypothesis H5 that there is significant relationship between individualize considerations and employees career salience..

6. Conclusion and Future Research

The results show that transformational leadership has insignificant relationship with employees' career salience. All facets of transformational leadership i.e. idealized influence, inspirational motivation, intellectual stimulation and individualize considerations are also insignificantly related to employees career salience. These particular results reject all hypotheses. As this study is conducted only on banking sector, so by conducting this study on others sectors its scope can be broadened. This study is new and first one of its nature in Pakistani context.

This study provides guidelines to the individuals in making decision about their career concerning to transformational leadership. This study might provide different result when it is conducted in other sectors and in other countries. This study also provides base and add literature for researchers to hit this issue more deeply in future.

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