

## **The Effect of Transformational Leadership on Staff Empowerment**

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### **Abstract**

*This article mainly considers transformational management and its effect on staff empowerment in organizations. In this respect, after dealing with the concept of transformational leadership and its theorists' viewpoints as well as the literature on empowerment, the empowered and unempowered staffs are compared and some solutions are offered to empower employees through transformational leadership.*

**Keywords:** Leadership, transformational leadership, staff, empowerment, staff empowerment, organization

### **1. Introduction**

Since the 1980s, the theme of empowerment has become central to the work of many development organizations (Working Paper 308, 2009). According to Thomas A Potterfield, many organizational theorists and practitioners regard employee empowerment as one of the most important and popular management concepts of our time (World Survey on the Role of Women in Development. 2009).

Empowerment has been described as a venue to enable employees make decisions (Bowen & Lawler, 1992) and as a personal experience where individuals take responsibility for their own actions (Pastor, 1996). The first definition puts the onus on management, and the second emphasizes the importance of the individual for successful application of empowerment. Whereas, earlier research focused on empowerment as a set of management practices to delegate authority (discretionary empowerment) (Blau & Alba, 1982), recent research has centered on psychological empowerment, focusing on employee experience (Corsun & Enz, 1999) and (Tohid Ardahaey F. and Nabilou H., 2011).

In the past 20 years, a substantial body of research has accumulated on transformational–transactional leadership theory (Judge and Piccolo, 2004). A large portion of contemporary leadership research has focused on the effects of transformational and charismatic leadership on followers' motivation and performance (see Avolio, 1999; Bass, 1985; Bass & Avolio, 1994, 1997; Conger & Kanungo, 1988; Lowe & Gardner, 2000). Hunt (1999) attributed the rejuvenation and continued interest in leadership research to the transformational and charismatic leadership models that were emerging in the literature during the mid-1980s and into the 1990s, which were being tested throughout the educational, psychological, and management literatures (Avolio et al., 2003).

### **2. Research objectives**

#### **2.1. Main objective**

Determining the effect of transformational leadership on employees' empowerment

#### **2.2. Secondary objectives**

1. Determining the effect of transformational leadership on employees' feelings of competence
2. Determining the effect of transformational leadership on employees' sense of choice

3. Determining the effect of transformational leadership on employees' sense of efficacy
4. Determining the effect of transformational leadership on employees' sense of significant
5. Determining the effect of transformational leadership on employees' sense of trust in other employees

### **3. Theoretical Framework**

Bass (1985) argued that existing theories of leadership primarily focused on follower goal and role clarification and the ways leaders rewarded or sanctioned follower behavior. This transactional leadership was limited to inducing only basic exchanges with followers. Bass suggested that a paradigm shift was required to understand how leaders influence followers to transcend self-interest for the greater good of their units and organizations in order to achieve optimal levels of performance. He referred to this type of leadership as transformational leadership. Bass's original theory included four transformational and two transactional leadership factors. Bass and his colleagues (cf. Avolio & Bass, 1991; Avolio, Waldman, & Yammarino, 1991; Bass, 1998; Bass & Avolio, 1994; Hater & Bass, 1988) further expanded the theory based on the results of studies completed between 1985 and 1990. In its current form, the FRLT represents nine single-order factors comprised of five transformational leadership factors, three transactional leadership factors, and one non-transactional laissez-faire leadership described below.

#### **2.1. Transformational leadership**

Transformational leaders are proactive, raise follower awareness for transcendent collective interests, and help followers achieve extraordinary goals. Transformational leadership is theorized to comprise the following five first-order factors: (a) Idealized influence (attributed) refers to the socialized charisma of the leader, whether the leader is perceived as being confident and powerful, and whether the leader is viewed as focusing on higher-order ideals and ethics; (b) idealized influence (behavior) refers to charismatic actions of the leader that are centered on values, beliefs, and a sense of mission; (c) inspirational motivation refers to the ways leaders energize their followers by viewing the 264 J. Antonakis et al. / *The Leadership Quarterly* 14 (2003) 261–295 future with optimism, stressing ambitious goals, projecting an idealized vision, and communicating to followers that the vision is achievable; (d) intellectual stimulation refers to leader actions that appeal to followers' sense of logic and analysis by challenging followers to think creatively and find solutions to difficult problems; and (e) individualized consideration refers to leader behavior that contributes to follower satisfaction by advising, supporting, and paying attention to the individual needs of followers, and thus allowing them to develop and self-actualize (Avolio et al., 2003).

#### **2.2. Transactional leadership**

Transactional leadership is an exchange process based on the fulfillment of contractual obligations and is typically represented as setting objectives and monitoring and controlling outcomes. Transactional leadership is theorized to comprise the following three first-order factors: (a) Contingent reward leadership (i.e., constructive transactions) refers to leader behaviors focused on clarifying role and task requirements and providing followers with material or psychological rewards contingent on the fulfillment of contractual obligations; (b) management-by-exception active (i.e., active corrective transactions) refers to the active vigilance of a leader whose goal is to ensure that standards are met; and (c) management-by-exception passive (i.e., passive corrective transactions) leaders only intervene after noncompliance has occurred or when mistakes have already happened.

#### **2.3. Non-transactional laissez-faire leadership**

Laissez-faire leadership represents the absence of a transaction of sorts with respect to leadership in which the leader avoids making decisions, abdicates responsibility, and does not use their authority. It is considered active to the extent that the leader "chooses" to avoid taking action. This component is generally considered the most passive and ineffective form of leadership (Avolio et al., 2003).

This article tries to determine the effect of transformational leadership on employee empowerment.

### **4. Research Hypotheses**

#### **4.1. The main hypothesis**

Transformational leadership affect on employees' empowerment.

## 4.2. Secondary hypotheses

1. Transformational leadership affects employees' sense of competence.
2. Transformational leadership affects employees' sense of choice.
3. Transformational leadership affects employees' sense of efficacy.
4. Transformational leadership affects employees' sense of significant.
5. Transformational leadership affects employees' sense of trust in other employees.

## 5. Methodology

In this research, some activities are considered to help collect data to study the effect of transformational leadership on employees' empowerment.

## 6. Population and sampling

The statistical population in this research includes 240 employees of Benvid Cement Company.

In this research, simple random sampling has been applied and almost 148 people were randomly sampled using Cochran formula.

$$n = \frac{\frac{z^2 pq}{d^2}}{1 + \frac{1}{N} \left( \frac{z^2 pq}{d^2} - 1 \right)}$$

**Table 1: Comparison between empowered and unempowered employees**

Empowered employees	Unempowered employees
<ol style="list-style-type: none"> <li>1. In ambiguous status, they are initiative and define difficulties in a way that they can analyze them better and reach further decisions.</li> <li>2. In ambiguous situations, such as when customer complaints or competitive threat increase, they can recognize your opportunity.</li> <li>3. They are able to use critical thinking skills such as exposing and testing assumptions and evaluating the reasons given. Also they are able to provide solid reasons to prove their decisions and actions are in line with the common goal.</li> <li>4. Both in functional groups and within the multitasking groups, they are able to make consensus for decisions and actions.</li> <li>5. They work on opportunities and identify them so that through activities, documentation, communication and information systems they can identify systematic problems and dispose them and ultimately, eliminate systems which are incapable to increase customer values.</li> <li>6. They try to reduce the costs and find opportunities for investment in new resources (such as process improvement and technology resources optimized).</li> <li>7. They have confidence and think they are talented, creative and trusted.</li> <li>8. They feel they are well able to decide on when and how to perform their tasks.</li> </ol>	<ol style="list-style-type: none"> <li>1. They wait for superiors to decide who has the authority to address the problem and be responsible for it? In other words, they are always waiting for referendum.</li> <li>2. They are able to effectively deal with the problems, but not able to recognize possible opportunities.</li> <li>3. They accept all arguments and conclusions of others quickly and without studies, especially of those who have the power. They also discuss information in hand but are never able to use this information to common goals.</li> <li>4. They expect that efforts should be made to reach consensus, but if they fail it, they resort to hierarchical authority.</li> <li>5. They Improve individually or team effectiveness, but they are not able to understand the problems that are beyond the group. They are able to provide short-term solutions, but they fail to systematize them. They rely strongly on existing systems, even if these systems have lost their effectiveness.</li> <li>6. They only pay attention to the problem of resources when obliged by people who hold the power.</li> <li>7. They lack confidence and think they lack talent and creativity and people do not trust them.</li> <li>9. 8. They feel they are unable to choose how to do their work.</li> </ol>

## **7. Research Findings and Results**

- The results from testing the main hypothesis based on structural model in this research showed that transformational leadership has a significant effect on staff empowerment in organizations.
- The results from testing the first sub-hypothesis based on the structural model in this study showed that the transformational leadership has a significant effect on employees' sense of competence.
- The results from testing the second sub-hypothesis based on the structural model in this study showed that the transformational leadership has a significant effect on employees' sense of significant.
- The results from testing the third sub-hypothesis based on the structural model in this study showed that the transformational leadership has a significant effect on employees' sense of efficacy.
- The results from testing the fourth sub-hypothesis based on the structural model in this study showed that the transformational leadership has a significant effect on employees' sense of choice.
- The results from testing the fifth sub-hypothesis based on the structural model in this study showed that the transformational leadership has a significant effect on employees' sense of trust in other employees.

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