

The impact of transformational leadership on employee motivation

[Business](#), [Leadership](#)



Abstract

Among the various styles of leadership styles, transformational leadership has gained more popularity and attention, perhaps due to its productive, supportive and innovative nature. Literature on transformational leadership has identified significant positive impacts on employee motivation. Whilst there is accumulating evidence that indicate a positive relationship between transformational leadership and employee motivation, there is also compelling evidence that indicate a negative link between the two variables.

In certain situations, other styles of leadership may be preferred over transformational leadership and employees may resist certain transformational behaviours such as intellectual stimulation and individualized consideration viewing them as ineffective. In this paper, we critically explore the motivational effects of transformational leadership on employees. The paper examines both the motivational effects of transformational leadership and drawbacks to this style of leadership.

Introduction

Human resource is an indispensable factor that organizations need to run smoothly, effectively and efficiently. The success of any organization largely depends on the capability and competencies of its human resources (Porter et al. 2003). It is the creative practices of the workforce that result in organizational success. Leaders play a major role in this sense by motivating employees and triggering a sense of creativeness among them.

Given that leaders have the means and powers to running organizations, their impact on employees is significant and their leadership style plays a major role in shaping employees' attitudes towards creativity, job performance and job satisfaction. As such, leadership plays a vital role in employee performance and motivation.

Among the various types of leadership styles, transformational leadership has gained more popularity and attention, perhaps due to its productive, supportive and innovative nature (Shah et al. 2011). Literature on transformational leadership has identified significant positive impacts on employee motivation. A number of authors have argued that transformational leadership style enhances employee motivations and increases their commitment to the organization.

For example, a study conducted by Avolio et al. (2004) on the impact of transformational leadership on performance and motivation of staff nurses in a public hospital of Singapore showed a positive relationship. A similar study Limsili & Ogunlana (2008) and Ismail & Yusuf (2009) also found significant positive relation between transformational leadership and employee motivation. Several other studies have arrived at similar conclusions on the validity of the relationship between transformational leadership and employee motivation. It is indeed true that when leaders engage in inspirational behaviours such as articulating a compelling vision, expressing confidence and optimism, emphasizing on collective identities and referencing core values; employees become more motivated and they set

more value-congruent goals and remain committed to their organization (Grant 2012).

However, transformational leadership does not always enhance employee motivation. There is emerging evidence that show inconsistent effects on employee motivation and job satisfaction (Grant 2012). Whilst there is accumulating evidence that indicate a positive relationship between transformational leadership and employee motivation, there is also compelling evidence that indicate a negative link between the two variables. In this paper, we critically explore the motivational effects of transformational leadership on employee. The paper begins by exploring on the concept of transformational leadership.

Transformational leadership style

Transformational leadership is a style of leadership that involves leaders utilizing their power, knowledge and experience in meaningful ways such as providing support advice and engaging with employees in friendly interaction and discussions (Shah et al. 2011). Transformational leaders seek to change employee goals, needs, identities, values, priorities and ambitions with the aim of boosting their trust and confidence that would enable them to increase their performance and commitment to the organization. Through such social, responsive and pleasant attitudes, transformational leaders are able to facilitate and encourage employees to effectively utilize their skills, knowledge and experience in the organization (Shah et al. 2011).

Impact of transformational leadership on employee motivation

The effect of transformation leadership on employee performance stems from development and empowerment, which is seen to increase the subordinate's ability and motivation. The philosophical approach to this style of leadership involves empowering employees and increasing their organizational commitment (Bushra et al. 2011). As such, transformational leaders articulate a vision that empowers employees and engages them to contribute to the organization. They highlight the prosocial impact of the vision and strive to motivate the employees to transcend their own self-interests for the sake of the larger organization (Bushra et al. 2011)

As pointed out by Bass & Avolio (1995), transformational leadership style is defined by four key aspects: inspirational motivation, idealized influence, intellectual stimulation and individualized consideration. Inspirational motivation essentially involves the articulation and sharing of an attractive vision with the employees and use of emotions to demonstrate optimism and enthusiasm. Idealized influence involves setting a lead example by sacrificing certain aspects for the benefit of the team or organization.

Individualized consideration involves the provision of support and encouragement to the followers. Intellectual stimulation refers to transformational behaviours that raise the awareness of employees of the problems facing them and challenges them to view their problems from new perspectives (Kark & Shamir 2003). These transformational behaviours significantly impact upon employee motivation and performance.

For instance, when an inspirational message is delivered by a transformational leader, certain needs in subordinate employees may become activated and if employees are able to satisfy their activated needs, this results in increased motivation to perform at work (Porter et al. 2003). Moreover, by articulating and sharing an inspirational vision with employees, transformational leaders enhance employee understanding and improve their ability to critically explore a situation (Mayfield & Mayfield 2012).

Similarly, transformational leaders can impact positively on employee motivation through leading by example and emphasizing the importance of having a strong sense of purpose (idealized influence) (Grant 2012). When the transformational leader articulates a vision in an idealized manner and when he/she challenges the status quo; the employees are also challenged to reflect on the idealized vision and to re-examine their behaviour that is supporting the status quo (Porter et al. 2003).

Through intellectual stimulation, transformational leaders encourage employees to develop their abilities, thereby enhancing their innovative and creative capabilities. Also by engaging in individualized consideration, transformational leaders act as mentors and effective listeners, focusing on individual employee needs and working towards meeting those needs. Such transformational behaviours help enhance the low levels of employee motivation.

Transformational leaders thus help raise employee awareness about the importance and values of goals and objectives; and enlighten them on the

ways to achieving those objectives (Porter et al. 2003). Transformational leaders also empower employees to participate in the decision making process, thereby resulting in higher organizational commitment. By allowing them to participate in decision making, it leads to more empowered and motivated employees.

Such empowerment of employees through the various transformational leadership behaviours creates a sense of responsibility and employee commitment to the organization. Empowered employees feel more in control and feel a sense of responsibility for their work, and thus results in their firm commitment to the organization. Also, individual considerations and the supportive attitude demonstrated by transformational leaders results in decreased turnovers and increased job satisfaction and organizational commitment.

Clearly the central purpose of transformational leadership is to empower the employees, increase their performance and to make them more committed to the organization. Transformational leaders are able to achieve this through:

articulating a vision that focuses employees attention on contributing to the organization

providing them with support through their knowledge, experience and exposure;

delegating certain tasks to them;

And building their confidence as well as enhancing their self-efficacy.

Such interactive and supportive attitudes towards the workforce serve to engage the employees in persuasion of the organizational goal and to motivate them to remain committed to the organization ((Shah et al. 2011)).

Fig. 1 Theoretical framework (Shah et al. 2011)

Research has also identified the importance of emotional intelligence in enhancing employee motivation in organizations. How leaders use emotions to develop leadership skills and their ability to recognize others' emotional expressions have significant impacts on employee motivation. In fact, leadership is largely recognized more as an emotion-laden process. Transformational leaders have emotional intelligence and the ability to use emotions to develop leadership skills. However, there seems to be a gender imbalance on leadership positions.

Transformational leadership literature indicates that women are more transformational than their male counterparts since transformational leadership characteristics are closely related to those exhibited by the feminine gender (Lopez-Zafra et al. 2012). Additionally, it has been noted that women tend to score higher in general emotional intelligence than men.

Surprisingly, there are still a relatively lower number of women leaders in various organizations. The lack of women leaders in most organizations can be explained by the gender-role congruity theory where gender stereotyping is seen to play a significant role in preventing women from accessing leadership positions in top working organizations (Lopez-Zafra et al. 2012).

There is need for future transformational leadership research to address this issue of gender.

Criticism of transformational leadership theory in the context of employee motivation

Whilst there is accumulating evidence that indicate a positive relationship between transformational leadership and employee motivation, there is also emerging evidence that indicate a negative link between the two. Although transformational leadership style may significantly impact upon employee motivation and performance resulting in growth and empowerment of employees; it is important to note that such influential leadership can also result in weakening and increased dependency on the leader. The implications are that the subordinate employees become limited in their ability to execute a task and cannot make a decision without guidance from the leader. Psychologically, this implies that the employee motivation and self-esteem is dependent on receiving recognition and approval from the transformational leader (Kark & Shamir 2003). On the contrary, an empowered person must be self-motivated, independent and autonomous.

Charismatic transformational leadership behaviours have been suggested to result in followers (employees) becoming increasingly dependent on the leaders. Employees who perceive the transformational leader as exceptional and extraordinary may end up relying on the leader for decision making and for guidance on accomplishing tasks (Kark & Shamir 2003). Such charismatic relationship can be equated with the parent-child relationship, implying increased dependence on the leader.

It should also be noted that when individualized consideration is made to one group within an organization, it may lead to jealousy and resentment among employees in the other groups that are not experiencing individualized consideration, and ultimately result in a decrease in employee motivation (Porter et al. 2003).

Adding to this “ spillover” effect, transformational leadership can conceivably trigger certain intergroup dynamics that may impact either positively or negatively on employee motivation. For instance, when such leadership occurs in an organizational unit composed of different groups, it may bring about intergroup conflict by increasing cohesion among particular group members (Porter et al. 2003). While transformational leadership has been seen to encourage individuals to transcend self-interests for the benefit of the entire group or organization, such group cohesion are potential antecedents to intergroup conflict and discrimination, with such conflict escalating with an increase in cohesion (Porter et al. 2003, p. 271).

Such conflicts may result in group dynamics that may either increase or decrease employee motivation. Feelings of solidarity may lead to negative stereotyping and discrimination of out-group members, thereby decreasing employee motivation in the organization (Porter et al. 2003, p. 272).

However, such conflict may, on the other hand, enhance employee motivation by encouraging the other group members to become more focused and committed to their own group objectives as well. In such situations of conflict, autocratic style of leadership is often preferred by group members and employees may resist certain transformational

leadership behaviours such as intellectual stimulation and individualized consideration as they may view them as ineffective (Porter et al. 2003, p. 272).

As pointed out above, transformational leadership style encourages employees to work at peak levels while bringing them into contact with one another. Much of this contact, however, may be counterproductive for the employee and may result in demoralization. It becomes increasingly difficult for employees to disengage from relationships and given that they cannot regulate their own contact with transformational leaders, they may end up experiencing higher stress levels.

And since this style of leadership places more emphasis on the followers' individual psychological and physical capacities to perform at peak levels, it can be stressing (Humphrey 2012). Therefore, contrary to the commonly held view, the positive relationship between transformational leadership and employee motivation may have a short-term effect. This leadership style may in the long run exhibit diminishing marginal returns.

Criticism has also been raised on the grounds that transformational leadership style places more emphasis on 'vague and distal goals' which remains simply rhetoric. In this regard, Grant (2012) argues that when articulating meaningful visions, transformational leaders fail to make these visions a tangible reality. As such employees cannot be effectively motivated if it remains rhetoric.

The author proposes that to enhance the salience and vividness of prosocial impact, there is need to provide followers with beneficiary contact who then creates a credible link between the words and deeds of the leaders (Grant 2012). This enables employees to actually see how the articulated vision comes to life to benefit others, thereby motivating them to continue with their work and to remain committed to the organization (Grant 2012).

Conclusion

The various criticisms which have been raised above indicate that transformational leadership does not always impact positively on employee motivation. In fact, in other circumstances, employee motivation may be heightened through a reduction in the level of transformational leadership behaviours. Hence to simply argue that low levels of motivation can be enhanced by transformational leadership appears to be somewhat simplistic.

Nonetheless, the stronger weight of evidence indicates that transformational leadership enhances employee motivation. When leaders engage in inspirational behaviours such as articulating a compelling vision, expressing confidence and optimism, emphasizing on collective identities and referencing core values; employees become more motivated and they set more value-congruent goals and remain committed to their organization

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