

# The impact of transformational leadership on public service motivation

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## Abstract

In this study, the impact of transformational leadership on dimensions of public service motivation has been investigated among employees of 78 branches of banks in Semnan Province in Iran. Based on random sampling method, 286 employees completed multi-dimensional questionnaire of leadership measuring leadership style and a reviewed version of Perry & Wise (1990) questionnaire of public service motivation. The analysis of correlation analysis using SPSS software showed that there is a relationship between elements of transformational leadership and 3 dimensions of commitment to public interest, compassion, and self-sacrifice. Among elements of transformational leadership, 2 elements of inspirational leadership and individualized consideration had a more significant relationship with dimensions of public service motivation. Based on multiple regression results, 52 percents of changes in indexes of public service motivation is predictable by the elements of transformational leadership.

**Keywords:** Public service motivation, transformational leadership, commitment to public interest, inspirational leadership, individualized consideration

## Introduction

While job motivation shapes an important part of organizational behavior, it has been investigated more in psychological literature than organizational literature. Today, managers need to follow up public missions wisely based on the

correct understanding of the job motivation in employees. So, understanding job motivation is vital for explaining, defining and improving effectiveness and efficiency. Most of the research in the area of employee motivation has been conducted in the framework of relevant theories of Maslow's theory of hierarchical needs, theory of Herzberg, etc. in which, it is proposed that the relationship between attitudes, values and behavior previously investigated. Although, public service motivation has been categorized as a self-actualization need (Newstrom, 1976) and as a motivator (Leete and Laura, 2000) in Maslow's hierarchy of needs and Herzberg theory respectively, but none of them don't provide an insight to the managers to how motivate the employees for serving public. Beside the inability of relevant theories in explaining the levels of public service motivation, social responsibilities of organizations toward the promotion of indexes of public service motivation has been emphasized as a necessity for public organizations. Gregory (2006) believes that regardless of abundant researches about motives for serving in public sector, the questions are more than the answers. Among these questions the ability of a manager for influencing public service motivation in public sector is a question that is rarely investigated. In this regard, in the current study the impact of six important elements of transformational leadership on public service motivation has been investigated amongst public banks of Semnan province in Iran.

## Transformational Leadership

Elements of transformational leadership as the independent variables include: charismatic, inspi-

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rationality, intellectual stimulation, individualized consideration, contingent reward and management by exception. Also, four factors of attraction to public policy making, commitment to public interest, compassion and self-sacrifice were used as the dependent variables (indexes of public service motivation).

Besides emphasizing on developing leadership abilities, transformational leadership increases the power of leadership and his/her degree of acceptance among employees toward organizational missions thus; transformational leadership has a close relationship with charismatic leadership (Capman, 2002). Charismatic leadership shows that the leader to what extent is capable of gaining subordinates' trust, respects and confidence, and to what extent devotes him/herself to them, respects their dreams and hopes and plays the role of a sample leader for them (Capman, 2002). Inspirational leadership shows that to what extent a leader is capable of drawing future vision and uses samples and symbols for showing directions to help the employees to focus on their job. Intellectual stimulation shows the degree that a leader encourages subordinates to be creative and use novel methodologies for solving the problems. Individualized consideration shows that a leader to what extent emphasizes providing the suitable work conditions to the employees. Contingent reward show that a leader to what extent emphasizes on his/her expectations from the subordinates, to what extent shows them how to do to earn reward and confirm their expectations. Lastly, management by exception shows that a leader to what extent emphasizes on job standards or to what extent directly notifies the job necessities to the subordinates.

### Public Service Motivation

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Literature do not show a consensus on the definition of public service motivation and this is due to inherent changeability of this construct that appears in different shapes amongst different organizations and departments and it seems that it changes based on time periods and changeable conception of people from public service (Rainey, 1997). The most documented definition from public service motivation is the James Perry and Luis Wise (1990) definition. They defined it as the "Intention of persons for replying motives that basically are rooted in the organizations and public agencies". Perry and Wise (1990) in one of the first

frameworks categorized public service motivation to three categories of rational, norm based and affective motives. Rational motives include commitment for serving public based on compatibility of personal gains with public gains. Norm-based motives reflect the concerns for social justice and the sense of responsibility in job. Affective motives include humanism and interest and intention to help the others. Although this framework was a valuable starting point for the researches on the public service motivation but, this categorization had deficiencies regarding to its exactness and objectivity. So, Perry (1996) based on his/her initial research, developed 24 item questionnaire of public service motivation and four factors of attraction to public policy making, commitment to public interest, compassion and self-sacrifice were included in that questionnaire. In this research the authors use this framework.

### Transformational Leadership and Public Service Motivation

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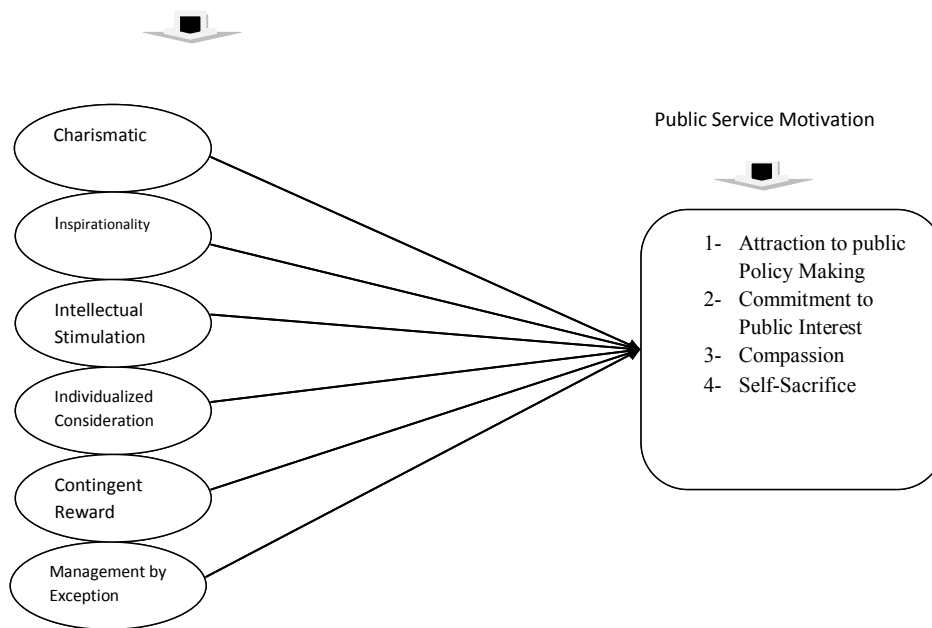
Transformational approach has been the theme of many researches in the last decade. Judge and Bono (2000) investigated the relationship between transformational leadership and five big personality factors. Leung and Bozionelos (2004) investigated the relationship between transformational leadership and efficient behaviors. Bass (1998) compared two types of transactional and transformational leadership behaviors and concluded that: while transactional leaders set the strategies and goals and help the subordinates to go toward standardized goals, transformational leadership encourages subordinates to work more than expected level and more efficient (Bass, 1998).

#### Research Question

**Main Question:** is there a significant relationship between transformational leadership style and public service motivation?

Based on above Question the following secondary Questions also will be answered in this research:

If there is a significant relationship between six elements of transformational leadership and public service intention, which factor/s causes the raise in public service motivation? and what levels of variance in public service motivation can be explained by transformational leadership?



**Figure 1. Variables of Transformational Leadership**

## Methodology

### Hypothesis

1- There is a significant relationship between six elements of transformational leadership and commitment to public interest.

2- There is a significant relationship between six elements of transformational leadership and compassion.

3- There is a significant relationship between six elements of transformational leadership and attraction to public policy making.

4- There is a significant relationship between six elements of transformational leadership and self-sacrifice.

### Sample

Krejcie and Morgan' (1970) table were used to determine the sample size. Based on stratified random sampling method, a sample of 331 bankers of Semnan province in Iran were selected (total population is 2506 persons) and 296 usable questionnaires returned (57 women and 239 men).

### Instruments

The six component (21 items) questionnaire of transformational leadership was used to measure the components of transformational leadership. For measuring motivation to public service, the revised version of Perry (1996) was used. This scale includes 14 items measuring four components of attraction to public policy making, compassion, commitment to public interest, and self-sacrifice. The validity

and reliability of this scale, has been confirmed in previous studies (Alonso and Lewis, 2001).

### Validity and Reliability

For confirming the validity of public service motivation scale, the differential validity was conducted and confirmed the validity of the scale. The confirmation by the experts also confirmed the validity of transformational leadership questionnaire. For confirming reliability of the questionnaire alpha Cronbach coefficient calculated and split-half method also employed. Table 1 shows the reliability coefficients in both methods for two questionnaires.

**Table 1. Reliability coefficient of two questionnaires**

Scales/Questionnaires	Chronbach Alpha	Split-Halves
Transformational Leadership Questionnaire	0.88	0.86
Public Service Motivation Questionnaire	0.7	0.72

### Data analysis method

The relationship between demographic variables and components of public service motivation was measured using one way and two ways ANOVA (analysis of variance). For assessing the homogeneity of components of public service motivation chi square test were used. Friedman test also employed to assess the importance levels of components of public service motivation. Pearson correlation analysis employed

to assess the relationships between transformational leadership style and components of public service motivation. After the confirmation of the existence of linear relationship between dependent and independent variables, simple regression and multiple regressions also used to measure the impact of independent variables on dependent variables.

## Results

1- The levels of components of public service motivation:

The test of means for sample is showed in table 2. Due to levels of p-value (lower than 0.05) it can be concluded that in confidence level of 99%, the mean of all components have a significant difference with number 3 (average level in five point Likert scale). Also for assessing the homogeneity of importance of all of dimensions of public service motivation, Friedman test employed. The results ( $F=289.911$  and  $p\text{-value}<0.05$ ) indicates that the importance of all dimensions is not equal and it can be concluded that compassion have the most level of importance and attraction to public policy making has the least importance.

**Table 2. Means for Components of Public Service Motivation**

Components of Public Service Motivation	Pearson Coefficient/p values	Charismatic Leadership	Inspirational Leadership	Intellectual Stimulation	Individualized Consideration	Contingent Reward	Management by Exception
Commitment to Public Interest	Correlation	.333**	.405**	.405**	.354**	.201**	.238**
	P-value	.000	.000	.000	.000	.001	.000
Compassion	Correlation	.307**	.383**	.383**	.394**	.306**	.329**
	P-value	.000	.000	.000	.000	.000	.000
Attraction to Policy Making	Correlation	.033	-.019	-.019	.014	.048	.142**
	P-value	.284	.372	.372	.407	.204	.015

### *The impact of transformational leadership on components of public service motivation*

*The relationship between components of public service motivation and elements of transformational leadership:* Using Pearson correlation coefficient test the following results were obtained: the relationship between transformational leadership and attraction to public policy making didn't con-

firmed (p-value upper than 0.05), and the only significant variable was management by exception (p-value=0.037). Based on p-values (lower than 0.05) the other proposed relationships between elements of transformational leadership and components of public service motivation are significant. Amongst all, the correlation of inspirational leadership element is more significant (Table3).

**Table3. The Relationships between elements of transformational leadership and components of public service motivation**

Self-Sacrifice	Correlation	.212**	.233**	.233**	.202**	.204**	.112*
	P-value	.000	.001	.001	.000	.000	.054

\*\* Relationship is significant at 99% level of confidence \* Relationship is significant at confidence level of 95%

The impact of elements of transformational leadership on public service motivation: For assessing the levels of impacts of each of elements of transformational leadership on components of public service

motivation, the linear multiple regressions was used. Before regression analyses, using Durbin-Watson Test, showed us that it is possible to use regression. Also other prerequisite tests (normal distribution of errors, Ei-

gen value, and Condition Index and Variance increase factor) confirmed the possibility of regression analysis.

The hypothesis of the linear relationship between the elements of transformational leadership and components of public service motivation showed that the attraction to public policy making ( $F=1.784$  and  $p\text{-value}=0.102$ ) has no linear relationship with components of public service motivation but, the other components have a linear relationship with elements of transformational leadership.

For assessing the concurrent impact of six elements of transformational leadership on each of components of public service motivation, the multiple regressions

conducted separately. Based on table 10, from total amount of 40.85, 11.03 of variance in general index of public service motivation can be predicted and explained by elements of transformational leadership and 29.8 of the variance can be explained by other factors.

Also the results did not confirm the impact of elements of transformational leadership on the component of attraction to public policy making. So it should be concluded that the elements of transformational leadership predict the general index of public service motivation and three component of compassion, commitment to public interest, and self-sacrifice (Table4).

**Table 4. Regression Coefficients for Assessing the Impact of 6 Elements of Transformational Leadership on Each of Components of Public Service Motivation**

Components of Public Service Motivation	R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
Commitment to Public Interest	0.423	0.179	0.162	0.50497	2.017
Compassion	0.451	0.204	0.187	0.49007	1.898
Attraction to Policy Making	0.189	0.036	0.016	0.95195	1.659
Self-Sacrifice	0.261	0.068	0.049	56.324	1.877
Public Service Motivation (Total)	0.52	0.270	0.267	0.31847	2.001

For comparing the impacts of elements of transformational leadership on dimensions of public service motivation, beta coefficients are presented in Table 5. The data show that two elements of individualized consideration and inspirational lead-

ership have the most impact on three components of commitment to public interest, compassion and self-sacrifice. Also, in comparison with other elements, inspirational leadership has the most impact on general index of public service motivation.

**Table 5. Standardized Regression Coefficients**

Components of Public Service Motivation	Standardized Coefficients	Charismatic Leadership	Inspirational Leadership	Intellectual Stimulation	Individualized Consideration	Contingent Reward	Management by Exception
Commitment to Public Interest	Beta	0.052	0.274	0.013	.142	-0.075	.049
	B	0.037	0.199	0.009	0.098	-0.050	.44
	Std. Error	0.05	0.06	0.05	.06	.04	.05
Compassion	Beta	0.008	0.201	-0.121	.213	.076	.15
	B	0.006	0.144	-0.82	.145	.05	.133
	Std. Error	0.05	0.06	-0.05	.05	.04	.05
Attraction to Policy Making	Beta	0.081	-0.121	-0.096	-.003	.055	.182
	B	0.1	-0.153	-0.115	-0.004	.063	.284
	Std. Error	0.109	0.125	0.107	.113	.088	.107
Self-Sacrifice	Beta	0.079	0.123	0.008	.011	.111	-0.034
	B	0.059	0.093	0.006	.008	.077	-0.032
	Std. Error	0.06	0.07	0.06	.06	.05	.06
Public Service Motivation (Total)	Beta	0.07	0.297	-0.049	.0180	.058	.08
	B	0.034	0.146	-0.023	0.084	.026	0.048
	Std. Error	0.036	0.042	0.035	0.038	.029	.036

## Discussion and Conclusion

In the current study, the impacts of some elements of transformational leadership on employee motivation to public service investigated. The results showed that six elements of transformational leadership predict the public service motivation. So, attracting processes that reinforce and promote perceptions of transformational leadership amongst employees will cause to promotion of the commitment to public interest among them as well as compassion sense and self-sacrifice toward doing their social tasks. Based on correlation results, there were no significant relationship between elements of transformational leadership and attraction to public policy making (only management by exception had a significant relationship). Other elements had positive relationships with components of public service motivation and amongst all inspirational leadership had the most significant relationship.

For assessing the level of impact of each variable, the hypothesis of the existence of linear relationship between commitment to public interest, compassion and self-sacrifice confirmed. The results show that 11.03 of changes in components of public service motivation is predictable by the elements of transformational leadership. In other word, if the other variables be constant, a change in 1 unit of elements of transformational leadership will cause 0.52 changes in general index of public service motivation. Multiple regression coefficients for the effects of six elements of transformational leadership on each dimensions of public service motivation shows that a change in 1 unit of transformational leadership will cause 0.42 changes in the scale of public service motivation (as a general scale), 0.45 changes in compassion, and 0.26 changes in self-sacrifice dimension. Amongst all, 2 elements of inspirational leadership and individualized consideration have the most impact in explaining changes in dimensions of public service motivation so, as we can see a change in 1 unit of inspirational leadership and individualized consideration will cause 0.3 and 0.18 changes in the general scale of public service motivation respectively.

Based on the results of current study, the element of intellectual stimulation has a partial negative impact on general scale of public service motivation. One of the most important reasons can be due to this fact that in banks basically the coordination takes place using acute rules and standardized obligations and attention to the novel ideas for solving the problems in the institutions such as banks is less important.

Based on the results, contingent reward has a negative impact on general index of public service motivation. This result is consistent with the results of Bradley (2003; 209). This negative impact can be explained by

cognitive evaluation theory. In this theory, the theme is that if the organizations use external rewards as the replacements for better performances, internal rewards as the types of the rewards that motivate the staff to better performance will be reduced and the external rewards will lead to reduction in general level of motivation (Robbins, 2004). However, structural and official problems, budgetary problems and problems related to performance evaluation also can have their unique role in receiving to such results in public sector.

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