

# A Study on the Role of Transformational Leadership in Employee Empowerment

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## Abstract

The purpose of this study is to survey the role of the transformational leadership in employee empowerment in the Northern Khorasan University of Medical Sciences. For this purpose, 200 employees were selected as the statistical sample by using relative stratified sampling. To measure the variables under study, Multifactor Leadership Questionnaire and psychological empowerment standard questionnaire were used. The multiple regressions test was used to analyze the data. The results indicate that there is a positive significant correlation between transformational leadership and employee empowerment although there was not any significant relationship between some aspects of transformational leadership such as idealized influence, inspirational motivation and intellectual encouragement and empowerment. Furthermore, there is a weak significant positive correlation between the individual and employees empowering consideration. The results of this study emphasize the necessity of education and use of transformational leadership styles so that managers can empower their employees to the extent possible.

**Keywords:** Transformational Leadership, Empowerment, Employees, University

## Introduction

Nowadays, human life proceeds with amazingly rapid transformation, as human beings from the beginning to the last moment of their lives experience constant change and self-empowerment to achieve perfection. The new century has brought a new wave of change by itself and the environment of organiza-

tions is more dynamic than before, forcing organizations to deal with this dynamicity.

In such an environment the flexibility to move in pace with the dynamicity and evolution is essential for the success and survival of organizations (Nargesian, 2010). The main components and the most valuable assets of each organization consist of the humans or human resources and the other factors (technology, capital, material, and etc.) are all controlled by human resources. Despite recent technical advances, nothing could sufficiently replaced humans as they are considered a key factor in every organization (Alvani, 2004), in which the study of the psychological characteristics, personal interaction, motivation and attitude can be useful and important.

The discussion of leadership and management and their impact on organizations has a long history and it has been studied by many experts and emphasis on leadership and management is interesting to most of organizations which seek transformation and development (Kheirandish, 2008). The leadership in any organization is the basic process and the success or failure of any organization is attributed to the leadership,

Therefore, when an organization is faced with success or failure, its leader comes to the mind. Thus, we can say that the views of people in the organization also depend on the style of the organization's leadership (Farazja, 2006). Frequently, leadership has been considered valuable and important in the human societies.

To analyze this topic, extensive studies and researches have been conducted. One reason for consideration of leadership is due to that fact that individuals and employees of any organization know that leadership has enough power to create desired modifications in an organization.

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Since every organization is working to achieve certain objectives, in this regard, there is a serious requirement for all departments to strive and cooperate, particularly managers and employees. One of the crucial factors in order to achieve organizational goals is motivating employees to use their latent potential and converting their potential abilities into actualized abilities and make innovation.

Because of the importance that organization leadership has, management scholars and researchers discovered the characteristics of successful leaders in organizations, always trying to highlight the successful leader in detail in the organization (Bahramzadeh & Mokhtaran, 2007). In this context, transformational leadership is a recent approach toward leadership and is one of the theoretical frameworks in the world proposed by Burns (1978) and Bass (1985).

In 1990, Bass reported that leaders can use the behavioral characteristics of transformational leadership and lead their followers to perform more than expectations (Moghadami, 2006). Also, Burns reported that transformational leaderships have vision and make the others perform exceptional jobs and challenge them to do that. Only, transformational leaders are able to determine necessary directions for new organizations, because they are the source of the changes and dominant on the changes regulating the organization (Robins, 1996).

Employee empowerment as an approach to intrinsic job motivation means freeing personnel internal forces as well as providing platforms and opportunities for developing talents, abilities and competencies of individuals. The basic step to this process is to implant change in beliefs, thoughts and attitudes of employees. That is, they should come to believe that they have the abilities and competencies for performing the duties as successful as possible (Dashti, 2009).

To encourage empowerment, individuals should be given power and this goal is achieved by joining them in decision making, expressing ideas, enjoying autonomy, and sharing responsibilities. This participation is an effective form of empowerment and expands it, while empowerment helps improve individual's performance and health (French Vandal, 2005).

Transformational leadership constitutes attitudinal change by relying on individuals' strengths and abilities within the organization with a deep understanding of their evolution. By creating a strong relationship with the employees, managers can then get them to meet their goals with a new strategic landscape (Nargesian, 2010).

## Materials and Methods

The present study is based on the correlational method with an applied purpose according to the descriptive-surveying method of data collection. This research examines the role of the transformational leadership in empowerment. The statistical population consisted of the 414 individuals including all line employees and staffs of the seven Medical Sciences Departments of Northern Khorasan, while 200 people were selected through stratified sampling method.

Primarily, from each class, (VP) proportional to the class size, the volume of the sample was selected, and then random sampling was used. To collect the data to test the hypotheses, Multifactor Leadership Questionnaire which is a standard tool was used and to measure empowerment, psychological empowerment standard questionnaire was utilized.

In the transformational leadership questionnaire, they answered each item according to Likert scale of five options. This form has 3 parts including 10 questions and 1 part including 9 questions, totally covering 39 questions.

Its components are; idealized influence, inspirational motivation, mental encouragement, individual considerations. The empowerment questionnaire is a self-report tool which consists of 15 questions with 5 choices. The validity of the questionnaire was confirmed by the views of professors and experts. The reliability coefficient of these questionnaires was 88.0 and 85.0 which were obtained by Cronbach's alpha method and it indicates a favorable reliability status for both questionnaires. Statistical analysis of the data was done in SPSS through multivariate regression analysis.

## Results

As shown in the Table 1, from among the components of transformational leadership, idealized influence has the highest mean (92.36) and the lowest mean belongs to personal consideration (98.30). Also, the mean of managers empowering is 25.60.

Data from Table 2 indicate that «the components of transformational leadership» has a 399.0% correlation with empowerment and only 159.0 of the variance are explained by their empowering.

Based on Table 3, the observed variance (599.9  $f =$ ; 203 and  $DF = 4$ ) components of transformational leadership (idealized influence, intellectual stimulation, inspirational motivation, individual consideration) are significant in accounting for employee empowerment. ( $01.0 > p$ ).

**Table 1. Mean and standard deviation of the fundamental components in the hypothesis**

SD	Indicator $\bar{X}$ Mean	Condition title	Essence	Variables
8.464	36.92	Idealized influence	Components of transformational leadership	
8.103	34.62	Mental encouragement		
9.110	36.33	Inspiration motivation		
8.438	30.98	Personal consideration		
9.115	60.25		Empowerment	

**Table 2. Indicators and regression statistic analysis between the components of transformational leadership to employee empowerment**

Standard error estimates	Adjusted coefficient	Square of the correlation coefficient R <sup>2</sup>	Correlation coefficient R
8.441	0.142	0.159	0.399

**Table 3. Summary of regression analysis of employee empowerment through transformational leadership components**

Sig.	F	Mean Squares	Degree of freedom	Total squares	Indicator
					Model
0.000	9.599	683.923	4	2735.690	Regression effect
		71.250	203	14463.596	Effect remained
		-	207	17199.495	Total

**Table 4. Standard and non-standard coefficients**

P	Relative T Beta	Standard Coefficient		Non standard coefficient B	Indicator
		Standard Error			Variable
0.000	16.884	-	2.826	47.709	Fix Value
0.175	-1.360	-0.150	0.119	-0.162	Idealized influence
0.222	1.225	0.193	0.158	0.194	Motivational inspiration
0.658	0.443	0.064	0.163	0.072	Intellectual stimulation
0.057	1.916	0.268	0.151	0.290	Individual consideration

The value of beta and the standard regression coefficient (Beta) which is shown in Table 4 show that that the components of transformational leadership (idealized influence, intellectual stimulation, inspirational motivation, individual consideration) do not have any significant correlation with empowerment. That is; by increasing the components of transformational leadership, employee empowerment does not increase.

More specifically, with regard to the beta value and the standard regression coefficient in Table 4, it can be concluded that there is not any significant relationship between ideal influence and employee empowerment ( $p > 0.01$ , sig= 0.175).

Considering beta value and the standard regression coefficient in Table 4, it can be concluded that; there is not any significant correlation between inspiration and employee empowerment ( $p > 0.01$ , sig= 0.222).

Considering the beta value and the standard regression coefficient in the above table, it can be concluded that there is not any significant correlation between the employee empowerment and mental encouragement ( $p > 0.01$ ,  $\text{sig} = 0.685$ ). Also, the above Table 4 indicates that there is not any significant relationship between the individual consideration and employee empowerment. Furthermore, it shows that there is a relative significant relationship between those variables ( $p < 0.01$ ,  $\text{sig} = 0.057$ ).

## Discussion and Conclusion

The research conducted in the past 20 years show that leadership has a key role in the modification and effective change and accordingly transformational leadership is the only style which creates major changes (as quote by Kiss, 1997). The purpose of the present study was to investigate the role of transformational leadership in employee empowerment. Based on this study, the relationship between the four components of the transformational leadership style was evaluated with employee empowerment, and the results of the review and research hypotheses tests showed that:

Considering the main hypothesis of this study which stated that there is a significant relationship between transformational leadership and employees empowerment, results in Table 2 indicate that there is a significant positive relationship between transformational leadership and employee empowerment ( $p < 0.01$ ,  $r = 0.399$ ). The results are in line with the other findings observed by Iranian and foreign researchers such as Kheirandish (2008), Hasanpour (2008), Moghli (2001), Nargesian (2009), Beniss and Nanoos (1985), Valderman (1989), Bass (1997), Guilbert (1997)).

To explain the findings related to this hypothesis, it could be confirmed that transformational leadership, through the idea confirmation and moral values of employees, inspires them to think about problems by using modern methods that resulted in an extraordinary level of motivation.

The followers of these leaders have loyalty to respect for, and trust in their leaders, a condition that is effective for enhancing their capabilities. The first research hypothesis states that there is a significant relationship between employees' empowerment and idealized influence. Based on the results of table 4, regression analysis shows that there is not any significant relationship between the components of an idealized influence and empowerment of employees ( $t = -1.360$ ,  $\text{sig} = 0.175$ ), so the first research hypothesis cannot be confirmed.

Also, these results are not in agreement with the findings of the other researchers such as: (Kheirandish (2008), Hasanpour (2008), Moghli (2001), Nargesian (2009), Beniss & Nanoos (1985), Valderman (1989), Bass (1997), Guilbert (1997)) whose results showed that there is relationship between the employee empowerment and idealized influence.

The second hypothesis of this study states that there is a significant relationship between psychological encouragement and employee empowerment. The results of this study which (see Table 4) indicate that there is not any significant relationship between these two options ( $t = 0.443$ ,  $\text{sig} = 0.658$ ) and the second hypothesis of this research is not confirmed. The observed results are not in line with the theoretical and research foundations presupposed in this field.

The third hypothesis refers to the assumption that there is a significant relationship between employee empowerment, and al motivation. Based on the information in Table 4, the third hypothesis did not show any significant relationship ( $\text{sig} = 0.222$ ,  $t = 1.225$ ) and, as a result, this hypothesis was not confirmed.

In general, some reasons might be behind the findings of the three hypotheses including differences in sampling methods, research tools, culture and organizational structure, lack of knowledge and theories, and so on, the results of this study are not consistent with the those of previous research and theoretical fundamentals.

The fourth hypothesis of this study assumes that there is a significant relationship between individual consideration and employee empowerment; the results of the data analysis in Table 4 indicate that there is a weak significant positive correlation between the variables of this hypothesis ( $\text{sig} = 0.057$ ,  $t = 1.916$ ). As a result, the result of this hypothesis is consistent with the other findings of Iranian and foreign researchers such as: (Kheirandish (2008), Hasanpour (2008), Moghli (2001), Nargesian (2009), Beniss & Nanoos (1985), Valderman (1989), Bass (1997), Guilbert (1997)). These results also suggest a significant relationship between personal considerations and employees empowerment.

This aspect of transformational leadership, which is of course an important aspect of transformational leadership, represents managers who provide a supportive atmosphere and spend time on training, coaching and dealing with the followers as individuals and not merely as a member of the group, while helping them to grow and develop according to employees' individual potentials. This aspect also has an impact on employee empowerment.

Considering the importance of leadership and its role in employee empowering is a cultural movement which can be inaugurated by managers and their management attitudes. As a suggestion, workshops with practical solutions can be established for directors to enhance their knowledge and for managers to attend. The actual practice of the concepts and principles of management and leadership styles enables employees to gain sufficient knowledge to develop necessary skills under a proper and efficient management. Also, creating positive and efficient communication with staff or employees can help flourish and develop their talents, increasing their interest in and commitment to the work environment of the organization.

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