

# Transformational Leadership Impact on Employee's Motivation: A Comparative Study of National and Multinational Pharmaceutical Companies in Pakistan

**FAWAD KHAN**

PHD CANDIDATE

email: fawad126@hotmail.com

UNIVERSITY OF MISKOLC

 <https://orcid.org/0009-0007-1113-6631>

## SUMMARY

Pakistan, being a developing economy, is in continuous transition to achieve its targeted developmental goals. In this regards, prime attention to the industrial sector is gaining importance. In the industrial sector, the pharmaceutical industry holds a significant role in meeting the national medicine demands and contributing to the country's economic growth at the same time. Promoting the manufacturing sector not only requires appropriate leadership but also a pool of motivated workers who can achieve the objectives. This paper investigates the effects of transformational leadership on employees' motivation in the pharmaceutical sector of Pakistan. Both local and multinational firms are taken into consideration. Data collected through a structured questionnaire from 503 respondents is analysed using SPSS 25. Results show that the application level of transformational leadership is higher in multinational companies as compared to the native companies. However, the impact of transformational leadership on employees' motivation is almost the same for both local and multinational companies.

**Keywords:** Transformational leadership; Motivation; Pakistan

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## INTRODUCTION

Global corporate competition and technological advancements have embedded a sense in the organizations to concentrate on their human resources, as this can be a critical factor in the success or failure, sustainable development, profitability, and reputation of any firm. Possession of unique resources or having an abundance of resources alone cannot determine the fortune of a firm. Similarly, depending solely on the achievement of organisational goals to keep the employees motivated cannot be sufficient unless the individuals' personal and career goals are met. A feasible solution comes with the application of an appropriate leadership approach that frames the actions and behaviours of employees in such a way that leads to

higher employee motivation and productivity. Realising the fact that employee motivation and leadership are interactive, contemporary organisations are dedicated to having proper leadership in all elements of the organisation to yield positive and desirable impacts at the individual and organisational levels (Vondey, 2008; Zenger et al., 2009).

Leadership can be understood as a binding relationship between a leader and the followers in such a way that the leader shapes the attitude, behaviours and actions of the followers with an intention to achieve the planned goals and objectives (Lo et al., 2010), providing the respective firm with robust opportunities to grow extensively and make more profits (Ben-Oz & Greve, 2015). Appropriate leadership develops a system of organisational values and presents it attractively and practically, in a way that enhances the inspiration and

motivation of the employees to achieve short-term objectives and long-term goals (Dola, 2015; Kolzow, 2014). It is one of the central functions of organisational management because the organizational success and efficiency can be achieved through competent leadership (Hartnell et al., 2016).

All of the contemporary leadership theories were put forwarded to benefit organisations in every possible way with their unique characteristics. Among these theories, transformational leadership is widely accepted, as this leadership style not only benefits the organisations but also comes up with desirable personal outcomes by focusing on the individual needs of the employees (Keskes et al., 2018). Productive results can be obtained by applying the leadership style in varied organisational contexts, including organisations in the education sector, health sector, engineering and manufacturing sector, and also in the military (Bass & Avolio, 1990). Higher levels of motivation and morality among employees, enlarging individual and organisational vision, bringing compatibility between organisational values and individuals' behaviours, promoting openness to accept change, and giving preference to group-interest over self-interest are the distinctive deliverables that over-weigh transformational leadership as compared to other leadership approaches (Bass, 1985; Keskes et al., 2018; Nanjundeswaraswamy & Swamy, 2014).

According to Bernard Bass (1985), transformational leadership is comprised of four dimensions: *idealized influence*, which refers to the fact that a leader is powerful, charismatic and confident whose behaviour is in accordance with the mission, ethical code and value system of the firm; *inspirational motivation*, which means that the leader can instil motivation and optimism in the followers via effective communication, elaborating organizational vision and by persuading the followers that the goals are achievable; *intellectual stimulation*, which highlights that the leader will always encourage the subordinate to challenge the status quo by adopting creativity and innovation; and *individualized consideration*, which focuses on the fact that the leader will pay attention to individual followers and their needs, and provide support and guidance to the followers whenever needed (Bass & Avolio, 1990). Recently, firms around the globe are increasingly interested in transformational leadership as it can assist in developing a value system that enhances employees' motivation and polishes the skills of the individuals simultaneously. Various studies have concluded that transformational leadership is a superior approach based on its multi-faceted favourable outcomes (Ahmad & Ejaz, 2019; Khan et al., 2014).

Motivation can be referred to as a driving force that influences behaviours of individuals in a way that can assist in achieving goals and certain outcomes by providing strength and right directions (Kontodimopoulos et al., 2009). In today's corporate

environment, organisational authorities are inclined to practice varied leadership styles that can yield motivation and positive energies among the employees. As a result, the personnel engage in productive organisational behaviours that can make the achievement of planned targets and organizational goals realistic, thus ensuring the given firm as a going concern. The commitment, creativity and extra efforts of the employees at the workplace represent their level of motivation. A pool of motivated workers is essential for achieving organisational prosperity because it is the motivation that provides courage and spirit to employees in the prevalence of challenges and constraints to remain successful (Islam & Ismail, 2008; Manolopoulos, 2008). The employees' motivation level, job satisfaction and morale is usually determined by the leadership style adopted by a firm (Naile & Selesho, 2014).

Based on contemporary literature and keeping the importance of transformational leadership and employees' motivation at its core, the present study is intended to show the impacts of transformational leadership on employees' motivation in pharmaceutical companies in the context of Pakistan.

### *Significance of the study*

One of the decisive factors for the economic growth and development of a country is to transition from the agriculture sector to manufacturing and then to service sector (Fuchs, 1980). In this regard, a gradual shift has been seen in Pakistan's economic structure from agriculture to other sectors like manufacturing and services over the last few decades. In the past, most of the organizations in the country focused on transactional leadership, but in recent times these firms are moving towards transformational leadership (Paracha et al., 2012). This change in the leadership style is inevitable because the firms heavily rely on motivated human resources for organizational success, which can be ensured by the application of transformational leadership. The leadership style is preferred as it can be effective in diverse organizational settings (Ahmad & Ejaz, 2019; Bass, 1997), shows a higher level of flexibility to adopt change (Egan et al., 1995) and comes with extended support, productivity, innovation and employees' motivation (Bastari et al., 2020; Bushra et al., 2011). The effects of transformational leadership have been analysed by carrying out many studies in the developed economies, but there is a dire need to investigate the leadership style in a developing economy like Pakistan in such a way that it can assist in drafting organizational policies while focusing on the personnel (Bodla & Nawaz, 2010; Rabia et al., 2009).

In the quest for economic prosperity and growth, pharmaceutical companies in the industrial sector of Pakistan play a vital role in terms of job creation, GDP growth and meeting the demand for medicine of over 70% of the population of the country. With a total worth

of USD 3.1 billion, the country holds a 0.5% share in the global pharmaceutical market. The industrial segment has the capability of providing employment to over ninety thousand individuals (Pakistan Pharmaceutical Manufacturer's Association, 2021). Considering contributions of the pharmaceutical sector of Pakistan in the country's economic growth and the role of such a huge pool of workers in the sector, it is essential to carry out research in the context of this industry to know the impacts of transformational leadership on employees' motivation, as no such contextual study has been carried out in the past.

### *Objectives of the study*

The study serves a number of objectives:

- i) To determine the level of transformational leadership in local pharmaceutical companies of Pakistan,
- ii) To determine the level of transformational leadership in multi-national pharmaceutical companies operating in Pakistan,
- iii) To analyse the impact of transformational leadership on employees' motivation in local pharmaceutical companies of Pakistan,
- iv) To investigate the impact of transformational leadership on employees' motivation in multi-national pharmaceutical companies operating in Pakistan, and
- v) To carry out a comparative analysis of how the transformational leadership affects employees' motivation in local pharmaceutical companies and multi-national pharmaceutical companies in Pakistan.

## **LITERATURE REVIEW**

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The philosophy of transformational leadership has three distinctive practical features. The first feature is to plan, shape and develop a crystal-clear organizational vision. The second feature is to disseminate information about the developed vision among the organizational members. The roles and responsibilities of employees are defined, which determine a diverse and rich set of actions to achieve the firm's vision. The third feature comprises efforts that can sustain the shared vision, not only in the short run but also in the long run. Acceptance and collaboration are the central convictions to motivate the work force and accomplish the organizational vision (Andersen et al., 2018). Collectivistic, spiritual and intellectual characteristics of transformational

leadership address the personal development and individual needs of employees, which motivates them to ensure organizational well-being and smooth functioning (Belias & Koustelios, 2014).

Organizational success can be guaranteed when there is a presence of mutual trust between the organization and its employees. Motivating and empowering the employees can give rise to such trust, which is possible only if the business entity has a suitable leadership style. In the current dynamic environment, transformational leadership can serve this purpose (Givens, 2008). The ideology of transformational leadership is so extensive and flexible that it can motivate personnel by encompassing several domains, including frequent and effective communication, prioritizing and targeting specific goals, bringing optimism among employees about the goals' achievement, upgrading employees' competences and promoting openness to embrace change with an ease (Bass, 1985; Keskes et al., 2018; Nanjundeswaraswamy & Swamy, 2014). Among all other leadership styles, transformational leadership holds a distinctive and superior position due to its multi-faceted substantial and favourable outcomes (Ahmad & Ejaz, 2019; Khan et al., 2014).

Early preparedness of an organization is crucial to be competitive and to embed changes according to the surrounding economic conditions. Transformational leaders are pro-active and act in a way that develops a positive perception about job characteristics among the employees. As a result, not only the job performance increases but also the self-confidence and attitude of employees (Fernet et al., 2015). Individuals' motivation level is raised as the leaders provide proper guidance, desirable feedback and mental support that enable the employees to take risks, carry out unconventional work and be involved in creative activities to boost the organizational output (Mahmood et al., 2018; Ng, 2017).

Analysis of data from a sample size of 285 employees working in a state-owned enterprise in Indonesia concluded that transformational leadership significantly and positively affects employees' motivation, which is the main factor to get the desired level of individuals' performance. The leadership has the capability to mould the beliefs and attitudes of subordinates to develop a sense of unity among them. Furthermore, the individuals can enhance their potential and upgrade their competencies by getting extensive support from the leaders (Bastari et al., 2020). Similarly, another study carried out in six different telecommunication firms with a sample size of 294 respondents concluded that all of the dimensions of transformational leadership can influence employees' motivation in a positive manner (Ahmad et al., 2014). One study suggested that the leadership approach can be effective to improve the motivation and commitment

level of teaching staff. A thorough analysis of data received from 184 tutors working in 13 different high schools confirmed that the transformational leaders are able to inspire shared values and vision, promote development, encourage creativity and build trust among the members of the teaching faculty (Naile & Selesho, 2014).

Transformational leaders can bring organizational change without breaking the rhythm of routine operations and productivity. The leadership style has unique attributes which make it convenient to easily manage complex targets and job patterns. Frequent and effective communication with all levels of workers brings positive energies to employees and keeps them engaged in their jobs (Avolio et al., 2004). Challenges can be resolved where individuals are encouraged to come up with innovative ideas and solutions. The leader gives importance and due attention to employees and boosts their confidence level. Such behaviour of the leader ends up in higher motivation, loyalty and commitment among the followers (Walumbwa et al., 2004).

An organization can sustain competition only if it changes gradually and continually according to the needs of prevailing digitization, demographic fluctuations, and globalization. Implementation of planned change starts at the individual level and extends to the organizational level. Without change at the individual level, the change process at the firm level cannot be successful. Change at the individual level is effective if the employees are motivated, and that is possible with the presence of proper leadership. Transformational leadership has been proven to motivate personnel and improve their performance during such a transitional phase (Carter et al., 2013). A set of two motivational mechanisms is used by the leadership to bring about organizational change. In the first mechanism, individuals are prepared for the transition by developing a positive perception of the transformation among employees, and by persuading them that the resulting consequences are attractive and desirable. The second motivational mechanism is dedicated to engaging personnel in productive activities that can make the change implementation process achievable. These approaches not only confirm the direct engagement and support of employees in the change process but also enhance the openness of individual to embrace such transformation (Faupel & Süß, 2019).

It has been observed that transformational leadership can also motivate employees in the manufacturing sector. Findings based on data from 627 workers in the Indonesian manufacturing sector showed that such leadership provides a conducive work environment and instils higher motivation among employees, which leads to the robust performance of the human resources (Nugroho et al., 2020). Teams can be managed effectively to pave the path for creativity, innovation and

productivity. A higher level of collaboration and cooperation among colleagues is promised, where the transformational leader serves as a role model for the subordinates (Bass, 1985). The desirability and elasticity of the guiding strategy bring noteworthy improvement in the quality of deliverables. The organizational crew is inspired to take risks and exploit new opportunities (Tucker & Russell, 2004).

With the application of varied theories, efforts have been made to dig out how transformational leadership can alter the average achievements of employees into above-average accomplishments. The majority of these studies present the same stance: that the leadership brings about personal changes within the individuals, which is the main reason for their high motivation level (Sandell, 2012). Each dimension of the leadership plays a vital role in the context of favourable outcomes. Idealized influence makes communication clear and effective, making it easier for the team members to meet high-performance expectations. Inspirational motivation builds the morale of employees and gives them a sense of self-efficacy to achieve the planned objectives. Intellectual stimulation is committed to providing meaningful work and making the tasks attractive for the followers. Individualized consideration is devoted to addressing the individual needs of the personnel, giving them a perception of high self-worth. All these distinguishing attributes of transformational leadership empower, energize and inspire the workforce to make the respective organization a perpetual success (Bass, 1997; Masi & Cooke, 2000).

## METHODOLOGY

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A quantitative research approach is used for the investigation. Primary data was collected by developing a comprehensive survey questionnaire. The Multifactor Leadership Questionnaire developed by Bass and Avolio (1996) was the instrument used to collect data about transformational leadership. The instrument included a total of twenty items: five items for each dimension of transformational leadership. For Employee motivation, an instrument developed by Manolopoulos (2008) was used which consists of twelve items. Response to each item (question) of the survey was recorded by the application of a 5-point Likert scale, ranging from strongly disagree (1) to strongly agree (5). Random sampling technique was used to ensure smooth data collection. The unit of analysis in this investigation was limited to sales representatives employed in different pharmaceutical companies of Pakistan. In all, 503 responses were received from sales representatives working in various pharmaceutical companies through a structured questionnaire using Google Forms. SPSS (Statistical Package for Social Sciences) 25 was used to carry out effective data analysis.

## FINDINGS AND ANALYSIS OF THE DATA

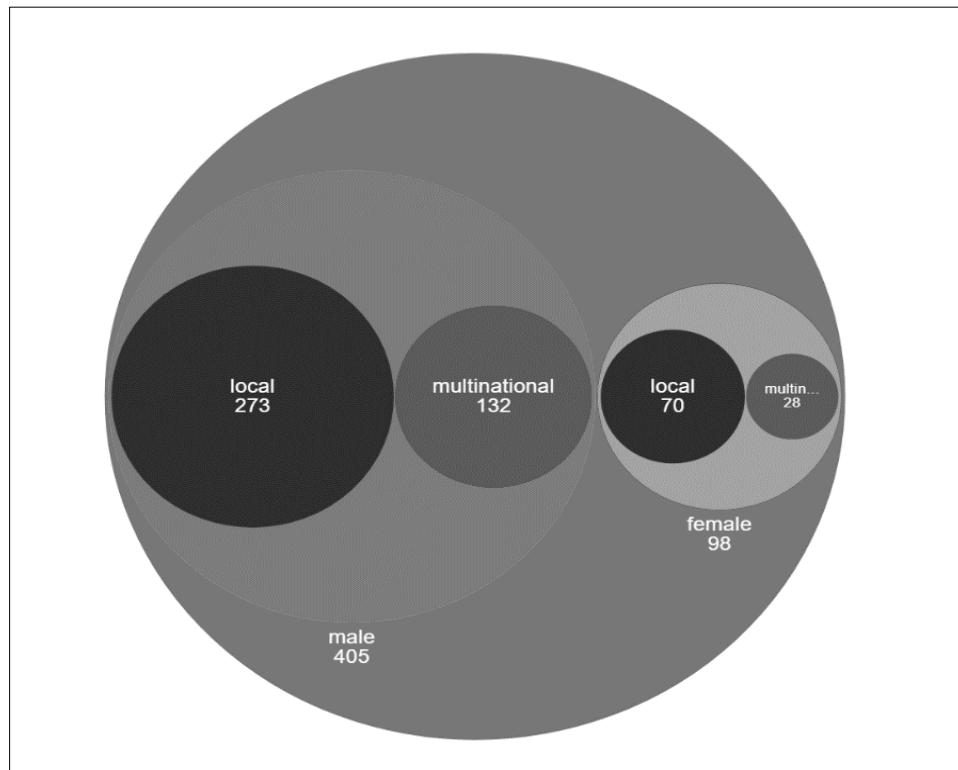
The demographics of the data, as illustrated in Table 1, shows that out of 503 responses, 160 responses (32%) were received from employees in multinational pharmaceutical companies while 343 (68%) responses were retrieved from employees of Pakistani pharmaceutical companies. This difference in response ratio is due to the difference in the number of multinational and local pharmaceutical companies in

Pakistan, i.e. 25 companies are multinational while 734 are local. The majority of the respondents were male; only 98 respondents were female. This is because the industry is dominated by men due to the cultural restrictions and high-paced nature of the job. Respondents in the age range 31-40 years made up the largest group. Most of the survey participants hold a master's degree, followed by a number of participants that hold bachelor's degree (generally the minimum qualification to hold a job in the industry), with a few respondents having only a high school diploma (Intermediate).

*Table 1  
Demographic statistics*

		Age (in years)				Gender		Highest academic qualification		
		18-30	31-40	41-50	51-60	Male	Female	High school	Bachelor degree	Master degree
<b>Company Status</b>	<b>Local</b>	113	221	9	0	273	70	0	143	200
	<b>Multinational</b>	59	96	5	0	132	28	2	28	130
<b>Experience in years</b>	<b>1-5 years</b>	136	9	0	0	83	62	2	27	116
	<b>6-10 years</b>	35	163	0	0	163	35	0	56	142
	<b>11-15 years</b>	0	143	3	0	145	1	0	81	65
	<b>16-20 years</b>	1	2	8	0	11	0	0	6	5
	<b>above 20</b>	0	0	3	0	3	0	0	1	2

Source: By author



Source: By author

*Figure 1. Circle packing of respondent numbers by gender and type of company*

To understand the level of adoption of transformational leadership in both the local and multinational companies, one sample *T*-test was conducted. The test shows that both local and multinational companies have above average levels of transformational leadership compared to the hypothetical mean. This shows that both the local and

multinational companies have applied the concept of transformational leadership on a reasonable level. The *T* value for local companies is 66.6 with a mean value of 37.5, and degree of freedom 342 while for the multinational companies, *T*-test value is 101.2 with 46.6 mean and the degree of freedom 159, as shown in Table 2.

*Table 2*  
*One sample T-test*

<b>One-Sample Test</b>							
Company Status	<b>Test Value = 50</b>						
	<b>t</b>	<b>df</b>	<b>Significance</b>		<b>Mean Difference</b>	<b>95% Confidence Interval of the Difference</b>	
			<b>One-Sided p</b>	<b>Two-Sided p</b>		<b>Lower</b>	<b>Upper</b>
<b>Local</b>	66.603	342	0.000	0.000	37.48397	36.3770	38.5909
<b>Multinational</b>	101.211	159	0.000	0.000	46.61250	45.7029	47.5221

Source: By author

To find out if there is any difference between the multinational companies and local companies in terms of transformational leadership application level, an independent sample *T*-test was conducted. The results showed that there is a statistically significant difference between the local and multinational companies

(*Sig*=0.000, *F*=34.246). Multinational companies have a higher level of transformational leadership application than local companies, as is clear from the mean values of 96.6 for multinational entities and a mean value of 87.5 for the local firms, as shown in Tables 3 and 4 below:

*Table 3*  
*Independent Samples Test (a)*

<b>Transformational Leadership</b>					
<b>F</b>	<b>Sig.</b>	<b>t</b>	<b>df</b>	<b>Mean Difference</b>	<b>Std. Error Difference</b>
34.246	0.000	-10.346	501	-9.12853	0.88230
		-12.553	485.304	-9.12853	0.72722

Source: By author

*Table 4*  
*Independent Samples Test (b)*

<b>Group Statistics</b>						
<b>Company Status</b>		<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>	
<b>Transformational Leadership</b>	<b>Local</b>	343	87.4840	10.42316	0.56280	
	<b>Multinational</b>	160	96.6125	5.82554	0.46055	

Source: By author

In order to address one of the research objectives, linear regression analysis was carried out to find the association level and the impact of transformational leadership on employee motivation. The whole sample size was taken into consideration while running this

analysis. The resulting statistics revealed that the R square value was 0.97, which indicates that transformational leadership has a significant impact on employee motivation.

*Table 5  
Regression analysis (R-Square value)*

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.985	0.971	0.971	2.64219

Source: By author

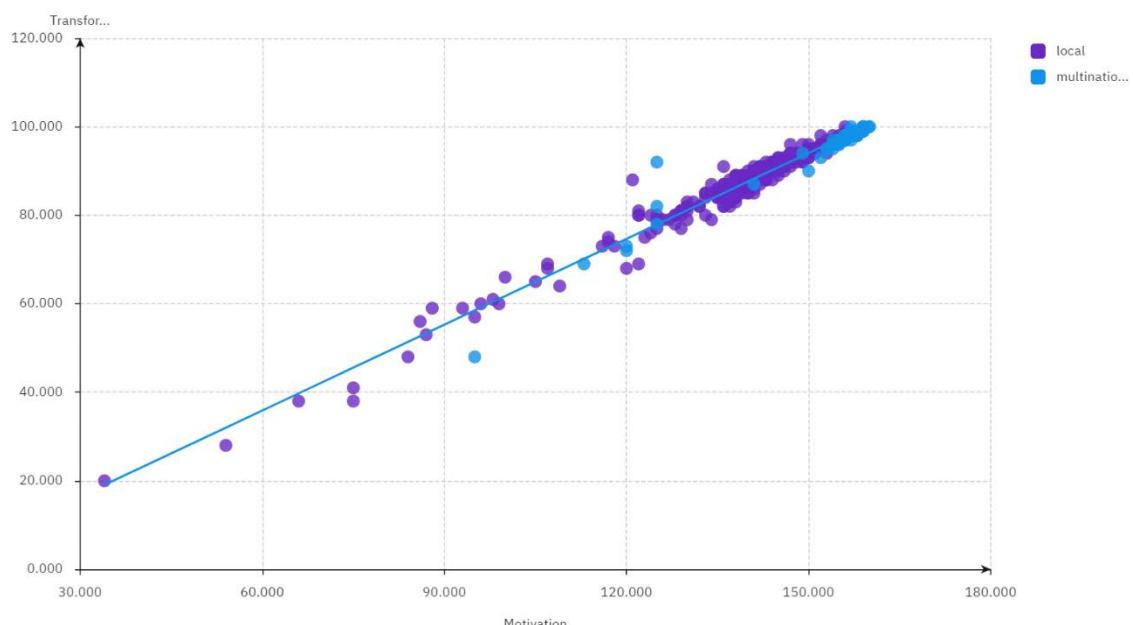
*Table 6  
Regression analysis (coefficients values)*

Coefficients		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	8.579	1.057		8.113	0.000
	Transformational leadership	1.502	0.012	0.985	129.156	0.000

Source: By author

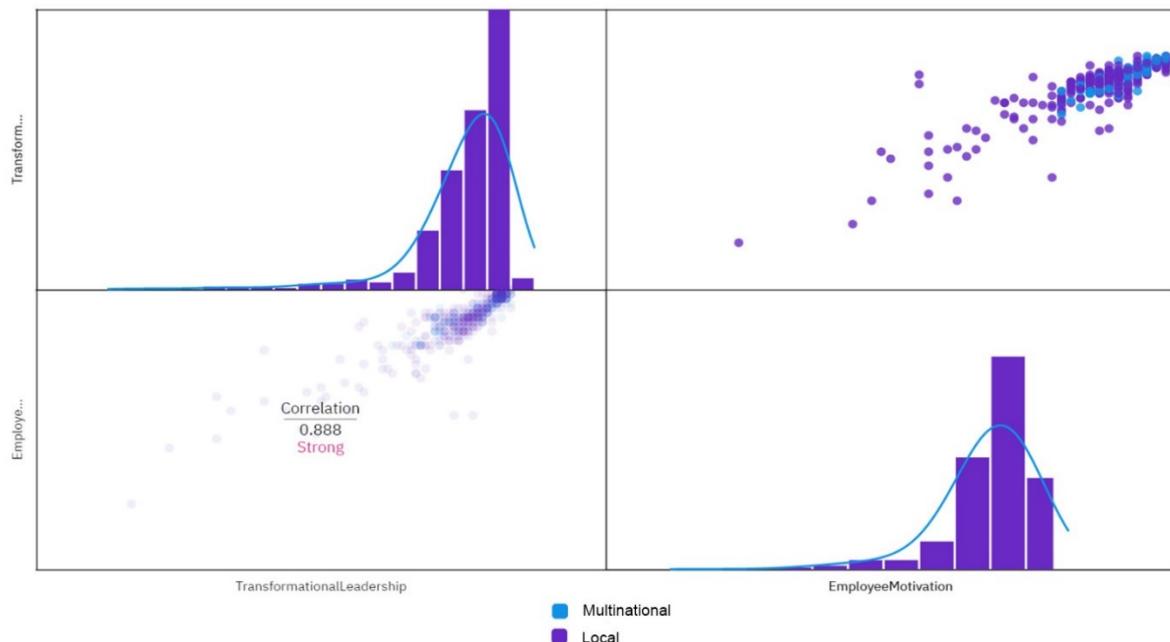
It was also observed that there is a linear relationship between transformational leadership and employee motivation, as illustrated in Figure 2. The scatter plot shows that this relationship is alike for both the local and multinational companies, and these findings are in line

with other studies that have been carried out in varied contexts (Ahmad et al. 2014, Bastari et al. 2020, Naile and Selesho 2014, Nugroho et al. 2020).



Source: By author

*Figure 2. Scatter plot of employee motivation and transformational leadership*



Source: by author

*Figure 3. Matrix Scatter of Transformational leadership and Employee motivation*

An ANOVA test was conducted to determine differences in the motivation level among the respondents on the basis of their academic background. The results show that there is a statistically significant difference in the motivation level between the academic groups. Bachelor and master degree holders are different in their motivation level. The master degree holders have a higher motivation level as compared to the bachelor degree holders. The main reason is probably that the employment system in the country usually

provides additional financial and non-financial perks to the employees with higher academic qualifications, and that is why they are more motivated as compared to the individuals with lower academic qualifications. The difference of intermediate (high school) group with the other academic qualification groups cannot be considered significant and decisive as only two respondents of the study belong to this academic background. These comparative results can be understood from the results provided in Tables 7 and 8.

*Table 7  
ANOVA test for employee motivation based on academic qualifications*

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.044	2	2.022	9.150	0.000
Within Groups	110.497	500	0.221		

Source: By author

*Table 8  
Multiple Comparisons of ANOVA test for employee motivation*

Academic Qualification of the respondent		Mean Difference	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Intermediate	Bachelor degree	0.08942	0.33435	0.961	-0.6965	0.8754
	Master degree	-0.10000	0.33342	0.952	-0.8838	0.6838
Bachelor degree	Intermediate	-0.08942	0.33435	0.961	-0.8754	0.6965

	Master degree	-0.18942-*	0.04430	0.000	-0.2935	-0.0853
Master degree	Intermediate	0.10000	0.33342	0.952	-0.6838	0.8838
	Bachelor degree	0.18942*	0.04430	0.000	0.0853	0.2935

\* The mean difference is significant at the 0.05 level.

Source: By author

To compare if the impact of transformational leadership on employees' motivation is different for local and multi-national companies, the regression analysis was conducted for each group separately (Table 9). Statistics of the analysis show that there was almost

the same level of impact for both local and multinational companies. This indicates that the leadership style is effective in motivating employees in the organizations regardless of their status. For more details refer to Table 10.

*Table 9  
Regression analysis for local and multinational company comparison (R values)*

<b>Model Summary</b>				
Company Status	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
<b>local</b>	0.986	0.971	0.971	2.65084
<b>multinational</b>	0.963	0.928	0.928	2.26782

Source: By author

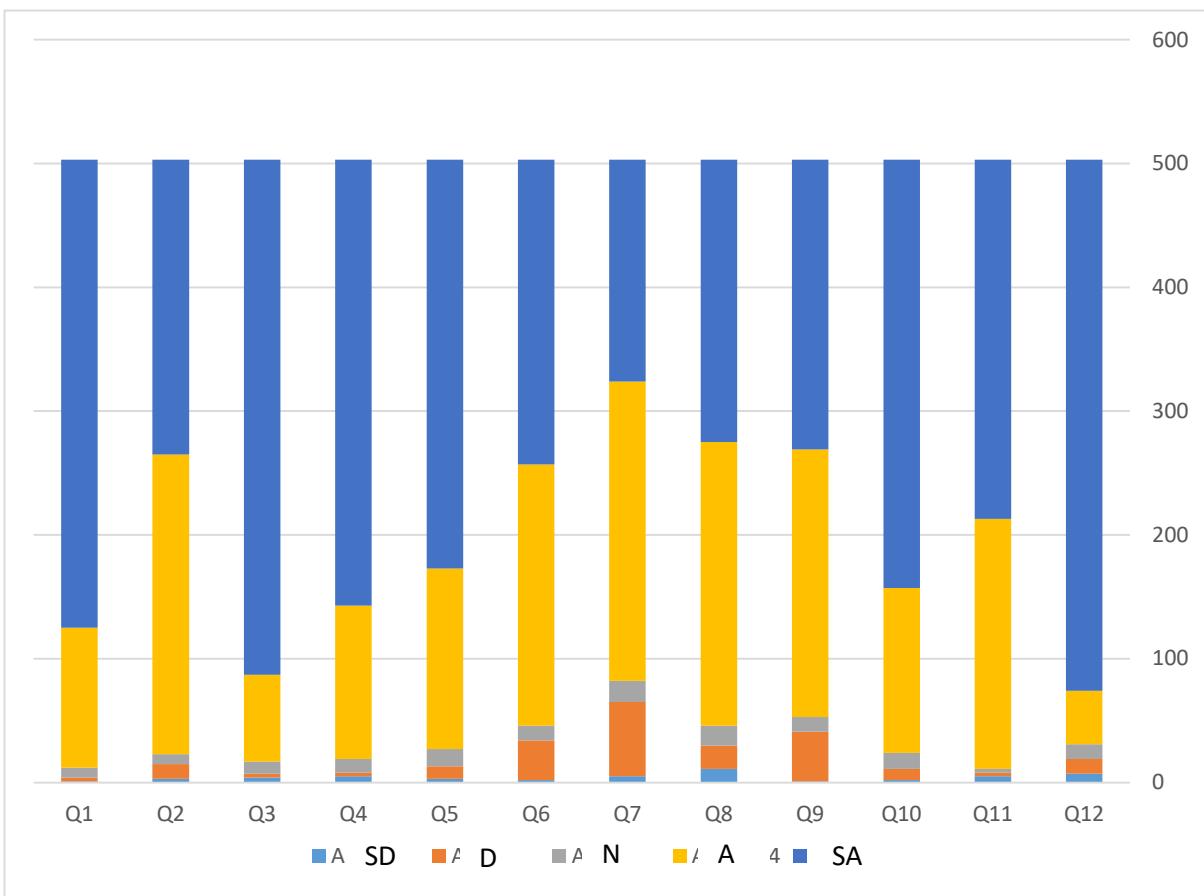
*Table 10  
Regression analysis for local and multinational companies' comparison (coefficients values)*

<b>Coefficients</b>						
Company Status	Model	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
		<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
<b>local</b>	(Constant)	10.063	1.212		8.306	0.000
	<b>Transformational leadership</b>	1.480	0.014	0.986	107.593	0.000
<b>multinational</b>	(Constant)	19.685	2.988		6.588	0.000
	<b>Transformational leadership</b>	1.397	0.031	0.963	45.235	0.000

Source: By author

In general, the respondents were very positive when it comes to the statements related to employee motivation in the survey questionnaire as mentioned in Appendix 1. They tend to either agree or strongly agree on the statements that belonged to employee motivation on the survey questionnaire as shown in Figure 4. This

indicates that they have a high level of motivation, and this may be related, of course, to the high-level application of the concepts of transformational management in the companies from which the responses were collected in general.



Source: by author

Figure 4. Chart representing responses to motivation items

## DISCUSSION OF THE RESULTS

To achieve a sound economic position, Pakistan's economy is reducing its total reliance on agriculture while promoting the manufacturing sector at the same time. Over a period of time, several industries have been established. Among these industries, the pharmaceutical sector plays a prominent role in contributing to a variety of determinants of economic growth. Since the sector is consuming considerable resources, making a value of those resources used depends on the availability of motivated human resources. In this case, there is a dire need for a compatible leadership approach that can serve the purpose of achieving the desired ends. Following Western economies, organizations in Pakistan have been adopting the new approach of transformational leadership while giving up on the conventional transactional leadership approach in recent years. Since the approach is relatively new, and no such contextual study has been undertaken previously, the present study was intended to evaluate the level of transformational leadership in the pharmaceutical companies in Pakistan. An attempt was also made to compare the application of the leadership style by local and multi-national pharmaceutical companies operating in Pakistan, and

how this leadership approach can influence the employees' motivation in those firms.

Findings from the data show that both the local and multi-national pharmaceutical companies have a significant level of transformational leadership with a  $T$  value of 66.6 and 101.2 for local and multi-national companies respectively. Comparative analysis shows that multi-national companies are more transformational as compared to the local pharmaceutical companies. This is because the multi-national firms mostly originated from the developed economies and these firms have been using the same leadership approach for quite long periods in different geographical contexts. But for the local business entities, the leadership strategy is relatively new and these firms are striving towards the optimal application and utility of the leadership approach.

Taking the whole sample into consideration, findings show that transformational leadership positively and significantly affects the employees' motivation in the pharmaceutical sector of Pakistan. On the basis of academic background, employees with a higher qualification (master degree) were found to be more motivated compared to the employees with lower

qualifications (bachelor degree). The motivation level of the individuals having intermediate (high school) qualifications could not be compared accurately due to the small number of respondents in the sample of the study. Regression analysis shows that the employees in local companies are slightly more motivated compared to the employees in the multi-national firms. There can be a number of reasons for this; one possible reason is that the employees in local companies had experienced a more rigid (transactional) leadership style in the past, and recently bringing a more flexible and adaptive (transformational) leadership approach inside the firms instigated higher motivation in the workforce, another factor may be related to the sample size whereas the sample size for local companies is way larger than the sample size for multi-national enterprises. The difference in sample size is due to a sharp difference in the number of local and multinational pharmaceutical companies in Pakistan i.e. 734 local and 25 multinational firms in the sector. In general, employees, regardless of their company status, showed a very positive response when it comes to motivation. The degree of freedom, empowerment, flexibility, self-esteem, and greater human-centric features associated with the transformational leadership led the employees to respond positively to motivation items on the survey questionnaire.

## CONTRIBUTIONS

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The study is unique as it is the first study focusing on transformational leadership and employee motivation to be carried out in the pharmaceutical industry and the country context of Pakistan. The findings of the study make a robust addition to the existing body of literature, making significant theoretical contributions. Furthermore, the practical contributions of the study can be widespread. The study highlighted that the leadership style is effective to result in higher employee motivation, which in turn can bring about positive deliverables like organizational commitment, higher productivity and loyalty among the workers. As transformational leadership is not extended to all sectors and organizations in Pakistan, findings of the study can encourage other organizations in diverse sectors and especially those in the public and manufacturing sectors to replace the conventional leadership styles with the transformational approach which may be helpful to keep their personnel motivated and to achieve the organizational goals in a convenient and cost-effective manner. The present investigation specifically focuses on one branch of the manufacturing sector, its findings can be generalized easily to other branches such as food, beverages, garment and footwear industries. However, its implications for non-manufacturing sectors are difficult to judge, but if the same research approach is

used in those sectors, it can bring forth a clearer picture about the efficacy of the transformational approach in the investigated sectors. Furthermore, the economic, political and social environment usually remains ambiguous in developing economies like Pakistan. In such uncertainties, transformational leadership can be productive by providing an upgraded level of flexibility to the organizations and its members to aid in accepting change, bringing about innovations and preventing resource losses.

## CONCLUSION

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The investigation highlights the application feasibility of transformational leadership in the pharmaceutical sector of Pakistan in order to keep the workers' pool motivated. A comparative analysis is also used to show if there is a difference in the effects of transformational leadership on employees' motivation between local and multinational enterprises. It was found that the leadership style is almost equally beneficial for local and multinational business entities. As the country is in a transition phase, the industrial sector needs to be stronger, which is possible with a more flexible leadership approach. Among the contemporary leadership approaches, transformational leadership can be practiced in firms having varied contexts. Findings of the study support the extension of transformational leadership to other manufacturing firms in Pakistan that are still practicing the conventional rigid leadership tactics.

## LIMITATIONS

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The investigation has a number of limitations. The sample size is small as compared to the total population of employees in the pharmaceutical sector of Pakistan, so there can be difficulties in generalizing the results. An empirical study with a larger sample size could come up with more concrete findings. Similarly, the unit of analysis in this study is limited to the sales representatives of various pharmaceutical companies in Pakistan; future studies can be carried out by including employees with different tasks to get more generalizable results. Furthermore, the study is carried out in a single industry, which is another limitation. A comparative study involving multiple industries would provide a wider range of data about the feasibility of transformational leadership style to boost employee motivation.

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## APPENDIX

### Survey Questionnaire

Dear Participants,

Thank you for your interest in participating in our survey. The following questions aim to gather valuable data for our research article "Transformational leadership impact on employee's motivation: a comparative study of national and multinational pharmaceutical companies in Pakistan". Please answer each question to the best of your ability. Your responses will remain anonymous and will be used solely for research purposes.

#### Section 1: Demographic Information

1. What is your age (in years)?

- 18-30
- 31-40
- 41-50
- 51-60

2. What is your gender?

- Male
- Female

3. What is your highest level of education?

- Intermediate (High school)
- Bachelor degree
- Master degree

4. What is the status of your organization?

- Local
- Multinational

5. How many years of professional experience do you have?

- 1-5
- 6-10
- 11-15
- 16-20
- Above 20

#### Section 2: Transformational Leadership

Please rate the following statements based on your opinion using a scale of 1 to 5, where 1 represents "strongly disagree" and 5 represents "strongly agree."

<b>Q#</b>	<b>Idealized Influence</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	In my organization managers urge their subordinates to follow important values and beliefs.					
2.	In my organization managers demonstrate the importance of mutual trust to overcome problems and difficulties.					
3.	In my organization managers exceed their self-interests with the goal of achieving a public good.					
4.	In my organization managers have the ability to persuade their subordinates to increase their enthusiasm for work.					
5.	In my organization managers focus on the importance of their subordinates having a common understanding of the mission and goals of the organization.					
<b>Inspirational Motivation</b>						
1.	In my organization managers show confidence in their subordinates by achieving goals.					
2.	In my organization managers are stirring up the enthusiasm of their subordinates to achieve more than they expected.					
3.	In my organization managers provide a collective sense of management tasks.					
4.	In my organization managers are encouraged to invest in new capabilities to the benefit of the organization.					
5.	In my organization managers are concerned with motivating their subordinates to achieve the vision and mission of the organization.					
<b>Intellectual Stimulation</b>						
1.	In my organization managers are concerned with developing the intellectual and cognitive abilities of subordinates.					
2.	In my organization managers encourage their subordinates to discover solutions to the complex problems facing the organization.					
3.	In my organization managers encourage their subordinates to think unconventional to solve traditional problems.					
4.	In my organization managers motivate their subordinates to express their ideas with confidence.					
5.	In my organization managers suggest new ways to get work done.					
<b>Individualized Consideration</b>						
1.	In my organization managers show personal concern for their subordinates' problems and strive to solve them.					
2.	In my organization managers listen attentively to the opinions of their subordinates and respect their convictions when they do a good job.					

3.	In my organization managers strive to develop the strengths of their subordinates.					
4.	In my organization managers give enough time to teach their subordinates and train them.					
5.	In my organization managers express their appreciation to their subordinates.					

### Section 3: Employee Motivation

Please rate the following statements based on your opinion using a scale of 1 to 5, where 1 represents "strongly disagree" and 5 represents "strongly agree."

<b>Q#</b>	<b>Employee Motivation</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	There is provision of fair wage in my organization.					
2	There is provision of pay incentives in my organization.					
3	My organization ensures communication and cooperation in the working environment.					
4	My organization provides opportunity for hierarchical advancement.					
5	My organization provides security in the workplace.					
6	There is presence of good working conditions in my organization.					
7	My organization offers opportunities to advance the field of employee's expertise.					

8	In my organization need for creative work is addressed.					
9	In my organization need for esteem and reputation is addressed.					
10	Recognition for work is guaranteed in my organization.					
11	In my organization need for competence is addressed.					
12	My organization offers opportunities to take responsibilities.					