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INFLUENCE OF TRANSFORMATIONAL LEADERSHIP STYLES ON PERFORMANCE.A CRITICAL LITERATURE REVIEW

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ABSTRACT

Purpose: Transformational leadership is a theory of leadership where a leader works with teams to identify needed change, creating a vision to guide the change through inspiration, and executing the change in tandem with committed members of a group; it is an integral part of the full range leadership model. Transformational leaders likely foster competence need satisfaction by providing challenges while also showing confidence in and enhancing followers abilities through coaching and role modelling. The general objective of the study was to establish the influence of transformational leadership styles on performance

Methodology: The paper used a desk study review methodology where relevant empirical literature was reviewed to identify main themes and to extract knowledge gaps.

Findings: The study found out that transformational leadership encourages loyal followers who give results. Leaders must be encouraged to use this management style. The findings denotes a positive relationship between performance and transformational leadership style. Moreover responsive and supportive transformational leadership behavior have a positive impact on organizational growth.

Recommendations: The study recommends that leaders need to adopt transformative leadership to achieve organizational performance. Organization should embrace transformational leadership and sound policies that will strengthen their position as a fundamental sector in generating human capital for the country's developmental and economic needs as well as the development of training programs in leadership skills and competences in transformational leadership for the leaders of enterprises

Keywords: *Influence, transformational leadership styles, performance*

INTRODUCTION 1.1 Background of the Study

One word for transformational leadership is renewal. Its objective is to give a business a new lease of life. Transformational leadership can be described as a process that changes and transforms individuals through an exceptional form of influence that moves followers to accomplish more than what is usually expected. Transformational leadership is basically concerned with emotions, values, ethics, standards, and long-term goals. Transformational leadership is leading by motivating. Moreover transformational leaders provide extraordinary motivation to followers' ideals and moral values and inspiring them to think about problems in new ways. Transformational leadership influence rests on their ability to inspire others through their words, visions, and actions. In essence, transformational leaders make tomorrow's dreams a reality for their followers (Evans, 2015).

Transformational is widely regarded as one of the most effective leadership styles (Judge & Piccolo, 2016). Researchers have attempted to explain its effectiveness, and several studies have explored the mediating mechanisms that underlie the effect of transformational leadership on follower performance. Extant research has largely focused on three kinds of mediators: followers' attitudes which comprise of leader satisfaction, followers' self-perception for example social identification, and followers' perception of their job which comprise of purpose, Burns (2018) defined the transformational leader as a person who seeks to satisfy higher needs and engages the full potential of the follower.

Bass (2015) conceptualized transformational leadership as containing four dimensions: Idealized influence refers to role modelling, the articulation of high expectations and confidence in followers. Inspirational motivation refers to providing vision and meaning and being optimistic about the future. Intellectual stimulation refers to encouraging followers to challenge existing approaches, reframe problems, and think in new ways. Individualized consideration refers to taking followers' differences and perspectives into account and being a coach and mentor.

Transformational leaders seem to address three central follower needs (Kovjanic et al., 2012). The need for competence which is a sense of mastery and effectiveness, relatedness which is feeling connected and significant to others, and autonomy which is experiencing of volition and choice. These needs are central aspects of self-determination theory. Ryan (2014) describes satisfaction of these needs as essential for effective performance. In the workplace, leaders are one of the most important factors for effective performance.

Specifically, transformational leaders likely foster competence need satisfaction by providing challenges while also showing confidence in and enhancing follower's abilities through coaching and role modelling. Further, they respect their follower's individuality when helping them to overcome personal challenges while simultaneously strengthening team spirit by voicing a compelling vision for the group and by emphasizing the importance of the group's purpose. This likely supports relatedness need satisfaction. Finally, when voicing their vision, transformational leaders refer to attractive and universalistic values. Hence, followers likely experience the group's goals as consistent with their personal principles and, accordingly, accept them as their own. Moreover, transformational leaders encourage followers to develop individual solutions to existing

problems and consider followers perspectives when making decisions. Hence, they create an environment enabling autonomy need satisfaction.

In line with Albrecht (2011), performance is the extent to which an enterprise attains a hard and fast of its formulated goals which are specific to its mission. Transformation Leadership style can play a great role in the fulfilment or failure of any business enterprise. Overall performance is the accomplishment and execution of obligations. Armstrong (2015), articulates that performance refers to each behaviors' and consequences, and moves of tough work to build up outcomes or results. Behaviours are consequences in their very non-public proper and reactions to the manufactured from intellectual and physical attempt accomplished to tasks. Koontz and Donnell (2013) define organizational performance as the capability of an organization to acquire its goals as immoderate profits, fantastic product, huge marketplace share, desirable monetary consequences, and survival at pre-decided time the use of relevant approach for accomplishment.

Transformational leadership enhances the motivation, morale, and performance of followers through a variety of mechanisms. These include connecting the follower's sense of identity and self to the project and the collective identity of the organization; being a role model for followers that inspires them and makes them interested; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so the leader can align followers with tasks that enhance their performance (Okoth, 2015).

1.2 Statement of the Problem

Transformational leadership enhances the motivation, morale, and performance of followers through a variety of mechanisms. These include connecting the follower's sense of identity and self to the project and the collective identity of the organization; being a role model for followers that inspires them and makes them interested; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so the leader can align followers with tasks that enhance their performance. Research on transformational leadership has identified variables that have mediated the relationship between transformational leadership behaviors and employee's behaviours. These variables include trust in the leaders (Barling, Weber, & Kelloway, 1996), intrinsic motivation (Charbonneau et al., 2001), and team cohesion (Bass et al., 2003). Although transformational leadership is theorized to have its most important effects on team processes and performance (Dvir et al., 2002), little research has been conducted on the impact it has on the general performance. This paper seeks to address this gap in the literature by presenting research that aims to identify the impact that transformational leadership has on performance

1.3 Objectives of the Study

The general objective of the study was to establish influence of transformational leadership styles on performance: a critical literature review

1.4 Justification and Significance of the Study

The study aims at adding knowledge onto the already rich field of leadership as to the extent to which transformational leadership independently impacts on employees' performance. The researcher aims at contributing to the growth of the field of leadership through this research. This study therefore seeks to provide practical and theoretical information that can be used by policy makers and other corporate stakeholders in organizational growth, in the development strategies and in implementation processes to enable them determine how best to fuse transformational leadership with performance and productivity in a way that it does not negatively impact on the employee as a person

LITERATURE REVIEW

2.1 Theoretical review

Two theories were found to be relevant in establishing the influence of transformational leadership styles on performance. The theories that were found to best inform the research constructs are the transformation theory (Sen, 1999, 2004; Nussbaum, 2003, 2011) and McGregor's theory X and theory Y (1960)..

2.2 Transformation theory

This study is based on transformational theory as the lead theory in an attempt to explain the impact of transformational leadership on employee productivity and performance, together with the Maslow's basic needs theory and path goal theory as complimentary theories. According to transformational theory, leadership is based on a system of rewards and punishments. The theory assumes that workers are motivated by rewards and punishments. That rewards and punishments are contingent upon the performance of followers. Managers and subordinates have an exchange type of relationship. Subordinates need to be carefully monitored so as to ensure that expectations are met.

The path goal theory is complimentary to transformational theory in as far as this study is concerned as it describes the way that leaders encourage and support their followers in achieving set goals by making their path clearer. The leaders do this by clarifying the path for their subordinates to know the way, by removing any roadblocks that hinder performance and finally by increasing their rewards when goals are achieved. This study therefore seeks to operate within the framework of transformational theories with path goal theory and Maslow's basic needs theory as complimentary. The Bass Transformational Leadership Theory is interested in the extent to which a leader influences followers. Followers go after a leader because of trust, honesty, and other qualities and the stronger these are, the greater loyalty they have for the leader. The leader transforms the followers because of her or his having these qualities. Not only is the leader a role model but she or he exhorts the following to challenging the existing order, the revolutionary being a stark example of this. While the leader may have democratic motives in mind, s/he can assume a Transaction Leadership style at the same time, directing the followers to do things. The Bass Transformational Leadership Theory also assumes that the leader has decent set of ethics, but if the theory is applied in a situation where a leader does not, the results could be disastrous. Transformational leadership can be of great benefit if they can prepare the people who have never

experienced democracy for a participatory situation. The emerging leaders must be educated, intelligent, and empathetic with the ones being led, have a noble ethos, and, perhaps most important, have a noble code of ethics. By doing this they will enhance the performance of their firms.

2.3 McGregor's theory X and theory Y

Theoretical framework of this study is based on McGregor's theory X and theory Y (1960). Theory X postulates that people are generally lazy, dislike work and will avoid it hence need to be coerced in order to do it. People also avoid responsibility, will seek to be led, self-centered and hence place security above other factors. The theory emphasizes that in order for high performance to be attained, strictness, control and application of extrinsic rewards need to be employed. Use of coercion and threatening people is advocated. In applying this theory, the principal need to ensure strictness, control, coercion, threats and reward power in order to attain high performance. This is supported by Lall and Lall (1976) who view this approach as enabling things being done. Likert and Likert (1976) also support the use of this approach where leaders have high technical competence and high performance goal. In this case, there's no probability of anarchy and chaos since people are guided. On the other hand, theory Y postulates that people are not lazy and do view work as natural and necessary. Once committed to objectives, they will exercise self-direction and control. In this way, people seek and accept responsibility as well as have ability to make innovative decision. The leader in this case only need to provide an enabling environment for the people to release the potential endowed with. In this study theory Y advocate for the use of democratic as well as transformational leadership style in order to register improved students' performance. Uris, (1964) and Muzaasi (1982) support this theory by contending that high group productivity thrives and leaders are more mature and less aggressive. Group members work well and feel free with the leaders. This theoretical concept is applicable in this study since it shades light on transformational leadership styles used by a leader to have a task completed.

2.4 Empirical Review

Ngure (2018) conducted a study to establish the leadership styles at Co-operative Bank of Kenya and to establish the influence of leadership style on strategy implementation at the Co-operative Bank of Kenya. This study adopted a case study research design where the unit of study was Cooperative Bank of Kenya. The research targeted ten senior managers, that is, two regional managers, four heads of departments, two branch managers and two operations managers. These senior managers were targeted as they are knowledgeable in matters of leadership styles adopted and strategy implementation issues and were therefore able to answer all the relevant questions. The study used primary data. The data was collected through an interview guide. The data collected was analysed using content analysis. The key findings of the study were that Co-operative Bank of Kenya predominantly uses participative (democratic) leadership style and transformational leadership style. Another key finding of the study was that leadership styles influence strategy implementation. The implication of the study was that leadership styles are important in strategy implementation and organizations should pay attention to this and incorporate leadership styles as one of the strategies in ensuring strategy implementation. The study recommends that

organizations should be aware that transformational leadership styles is important in an organization and implement it.

Njagi (2012) conducted a study on to investigate the influence of headteachers' leadership styles on students' discipline in public secondary schools in Imenti South District. Five research objectives were formulated to guide the study. The research objectives sought to: Identify head teacher's leadership styles in public secondary schools; examine whether headteachers characteristics (age, gender, administrative experience) had any influence on headteachers leadership style; examine whether headteachers transformational leadership style influenced students' discipline; determine whether headteachers autocratic leadership style influenced students' discipline and lastly establish how headteachers laissez faire leadership style influenced students' discipline. The study adopted a descriptive. The sample comprises of 21 headteachers and 420 prefects. The study used questionnaires to gather data: Descriptive and inferential statistics were used to analyze the data. Findings revealed that head teachers in Meru central district mostly used democratic style on management. The findings also revealed that there was no significant relationship between head teachers administrative experience and students' discipline. Findings also revealed that there was no significant relationship head teachers' gender and their leadership styles. There was no significant relationship between headteachers experience. Findings also showed that there was a positive moderate relationship between the transformational leadership style and discipline. Autocratic negatively influenced students' discipline. The study concluded that transformational leadership styles there was a positive moderate relationship between the democratic leadership style and students discipline. Lastly, head teachers use of autocratic negatively influenced students. Based on the findings it was recommended that there should be induction training in management and leadership for the newly appointed head teachers by the Kenya Educational Management Institute (KEMI)

Kariuki (2013) conducted a study to analyze the leadership styles of principals and their influence on learners' performance of secondary schools in Kinangop district. The research used descriptive survey design to obtain information regarding the independent variable, which was leadership styles, and that of the dependent variable, which was school performance. Data was collected using questionnaires from 75 teachers and 15 head teachers. The key finding was that there is a strong positive relationship between the leadership style and school performance. The autocratic leadership style of the school's head teachers has a negative effect on school performance (-0.65). There is also a strong negative correlation between the laissez-faire leadership style and school performance in secondary schools (-0.66). There is a weak relationship between the transformational leadership and school performance in secondary schools (0.34); and there is a strong positive relationship between democratic leadership style and school performance in secondary schools (0.48). Most principals do not involve others in making decisions on matters affecting them. Their leadership style has an autocratic bias and they cannot strike a balance between democratic and autocratic leadership. Most principals' felt that the use of transformational style of leadership though their schools posted poor results in KCSE.

Wang (2011) conducted a study on transformational leadership and performance across criteria and levels: a meta-analytic review of 25 years of research. Although transformational leadership

had been studied extensively, the magnitude of the relationship between transformational leadership and follower performance across criterion types and levels of analysis remained unclear. Based on 117 independent samples over 113 primary studies, the done meta-analytic study showed that transformational leadership was positively related to individual-level follower performance across criterion types, with a stronger relationship for contextual performance than for task performance across most study settings. In addition, transformational leadership was positively related to performance at the team and organization levels. Moreover, both meta-analytic regression and relative importance analyses consistently showed that transformational leadership had an augmentation effect over transactional leadership (contingent reward) in predicting individual-level contextual performance and team-level performance. Contrary to the study expectation, no augmentation effect of transformational leadership over contingent reward was found in predicting individual-level task performance. Instead, contingent reward explained incremental variance in individual-level task performance beyond that explained by transformational leadership

2.5 Research gaps

Geographical gap is a knowledge gap that considers, the untapped potential or missing/limited research literature, in the geographical area that has not yet been explored or is under-explored. For instance Kariuki (2013) conducted a study to analyze the leadership styles of principals and their influence on learners' performance of secondary schools in Kinangop district. The study found out that there is a weak relationship between the transformational leadership and school performance in secondary schools. The study presented a geographical gap as it was done in Kinagop while our current study will focus on influence of transformational leadership styles on performance.

Methodological gap is the gap that is presented as a result in limitations in the methods and techniques used in the research (explains the situation as it is, avoids bias, positivism, etc.). Ngure (2018) conducted a study to establish the leadership styles at Co-operative Bank of Kenya and to establish the influence of leadership style on strategy implementation at the Co-operative Bank of Kenya. This study adopted a case study research design where the unit of study was Co-operative Bank of Kenya. The key findings of the study were that Co-operative Bank of Kenya predominantly uses participative (democratic) leadership style and transformational leadership style. The study presented a methodological gap as it involved correlation design while our study will adopt a desktop literature review method (desk study). Which involves an in-depth review of studies related to influence of transformational leadership styles on performance.

METHODOLOGY

The study adopted a desktop literature review method (desk study). This involved an in-depth review of studies related to influence of transformational leadership styles on performance. Three sorting stages were implemented on the subject under study in order to determine the viability of the subject for research. This is the first stage that comprised the initial identification of all articles that were based on influence of transformational leadership styles on performance from various

data bases. The search was done generally by searching the articles in the article title, abstract, keywords. A second search involved fully available publications on the subject on influence of transformational leadership styles on performance. The third step involved the selection of fully accessible publications. Reduction of the literature to only fully accessible publications yielded specificity and allowed the researcher to focus on the articles that related to influence of transformational leadership styles on performance which was split into top key words. After an indepth search into the top key words (influence, transformational leadership, performance), the researcher arrived at 4 articles that were suitable for analysis. The 4 articles were findings from Ngure (2018) conducted a study to establish the leadership styles at Co-operative Bank of Kenya and to establish the influence of leadership style on strategy implementation at the Co-operative Bank of Kenya. The study found out that that Co-operative Bank of Kenya predominantly uses participative (democratic) leadership style and transformational leadership style.

Njagi (2012) who conducted a study on to investigate the influence of headteachers' leadership styles on students' discipline in public secondary schools in Imenti South District. The study found out that showed that there was a positive moderate relationship between the transformational leadership style and discipline. Kariuki (2013) who conducted a study to analyze the leadership styles of principals and their influence on learners' performance of secondary schools in Kinangop district.

The study found out that most principals do not involve others in making decisions on matters affecting them. Their leadership style has an autocratic bias and they cannot strike a balance between democratic and autocratic leadership. Most principals' felt that the use of transformational style of leadership though their schools posted poor results in KCSE. The drawing and interpretation of research findings and sense which is not a quantitative impact evaluation, was important in this context, which implies that qualitative and thematic analysis was most suitable in this study

SUMMARY, CONCLUSION AND POLICY IMPLICATION FOR FURTHER STUDY

4.1 Summary

The study found out transformational leadership encourages loyal followers who give results. Leaders must be encouraged to use this management style. The findings denotes a positive relationship between performance and transformational leadership style. Moreover responsive and supportive transformational leadership behavior have a positive impact on organizational growth. Additionally, this impact is mediated by organizational procedural justice, organizational trust integrity and dependability, and organizational commitment.

4.2 Conclusion

Transformational leadership affect employees' job performance, and the reviewed literature offers a large variety of explanatory processes. An effective leader has a responsibility to provide guidance and share the knowledge to the employee to lead them for better performance and make them expert for maintaining the quality. And become head of all team members is such a great responsibility. The introduction of the clear standards of leadership promotes the core values and

maturity on their role and responsibility. Transformative leadership honors the governance obligations of leaders by demonstrating a commitment to the welfare of all stakeholders and by seeking to optimize long-term wealth creation

4.2 Recommendations

There is need for leaders to adopt transformative leadership to achieve organizational performance. Organization should embrace transformational leadership and sound policies that will strengthen their position as a fundamental sector in generating human capital for the country's developmental and economic needs as well as the development of training programs in leadership skills and competences in transformational leadership for the leaders of these enterprises. Transformational leadership would lead to generation of commitment from followers, inspire project teams, motivate and foster commitment which results to be important for the achievement of a long-term orientation and longer-term goals of the team. Through the strength of transformational leader's vision and personality, subordinates are inspired to change expectations, perceptions and motivations to work towards common goals

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