Abstract

Since unit potency, cohesion, and performance are valuable concepts for the leaders to predict operational process of an organization in the future, so exploring knowledge in leadership styles are considered great challenge for scholars. Despite the subject of transformational leadership is studied more in the HR context, the relationship between transformation leadership and job performance is still unclear. Also, recently the concepts of leadership style and job performance are augmented as strong constructs in the literature. Hence, the scholars challenge to classify the concepts as well as the relationship between them. In this vein, the aim of this study is to make clear the intangible variables and measuring them in different studies and benchmarking their relationship. Although the existing more constructs which are influencing job performance; the researchers believe that transformational leadership has played the key role to enhance efficiency of job performance of individuals as managers and subordinates who are working in the organization.

Keywords: Job performance, transformational leadership, leadership styles, unit performance, transformational theory.

1.0 INTRODUCTION

Providing proper strategies for organizational performance is one of great challenges among the managers to improve business performance and efficiencies. In fact, the strategies of leadership styles cause to perk up job performances of the individuals whether as being a manager or a staff. Beside, the globalization is as the main issue which is pertained to conduct the organization in the international markets. According to Twosend and Gebhardt (2008), effective leadership is as a fundamental base of increasing the level of organizational performance. Along with this line, Yu and Miller (2005) presented that existing various generation in the organization is impacted on providing different leadership styles which cause to arise different work characteristics and different leadership styles (Graham, 1995). Bass (1985) presented a model for introducing transformational leadership which affects in changing environmental workplace. According to Nemanich and Keller (2007, P.50), “transformational leaders are essentially change agents; they visualize a future different than the status quo and inspire subordinates to work with them to achieve that new future”. In this vein, transformation leadership can be regarded as a powerful to create productive performance among subordinates for acceptance managerial views of changing in the future. Hence, the current study would fulfill the gap between transformational leadership and job performance which is influenced by significant latent variables. Barling et al. (2002) carried out the study on the performance of transformational leaders who indirectly influenced on followers safety behaviors from the kind of created atmosphere by them. Along with this line, Nemanich and Keller (2007) investigated on climate as a mediating mechanism between transformational leadership and subordinate outcomes by analyzing the effects of leadership behaviors towards rapidly changing in atmosphere for producing productive ideas and performance (Yasir et al, 2013). “These climates have the potential to further mitigate the effects of uncertainty and change during acquisitions” (Nemanich and Keller, 2007, P.50). In fact, transformational leadership behaviors are the ways to create new ideas, innovation, or necessary changing, when it enables the subordinates to better understand for change.

According to Nemanich and Keller (2007), conducting subordinates’ attitudes and performance in an organization are great challenge because of they have the to choose like leaving or staying in the organization, holding or sharing critical operational knowledge, raising or declining the efficiencies in the job performance. In this view, changing routine job and uncertainty of responsibilities are other vital subjects in job performance.
According to Walumbwa et al. (2008), subordinates' attitudes, behavior and performance are affected by the styles of transformational leadership. In this vein, proper strategies for the organization should be distinguished for fostering employees with unifying workforce in the direction of achieving the goals of organizations (Ollkonen and Lipponen, 2006).

2.0 LITERATURE REVIEW

2.1 Job Performance

Generally, job performance is considered the subordinates what have done and how to do their missions. “It is an assessment of the extent of an employee's accomplishments of the goals established by the organization and the acceptability of the employee's interpersonal behaviors relative to the norms of the organization” (Nemanich and Keller, 2007, P. 52). Transformational leaders encourage subordinates to do higher job performance. There are various instances of the transformational leadership effects on longitudinal study from team performance (Keller, 2006) as well as cross-sectional study of subordinates performance (Whittington, Goodwin, & Murray, 2004, Nazir and Shah 2014). The study of Dvir, Eden, Avolio, & Shamir (2002) yielded that transformational leadership has indirectly affected by regarding a layer in the hierarchy on the performance of subordinates. Consequently, transformational leadership is useful for motivating subordinates to achieve the vision through their accomplishments. Bono and Judge (2003); and Shamir et al. (1993) mentioned that it can motivate subordinates to engage in extra effort in order to attain the goals of organization. On the other hand, it is an important factor to reduce conflicts in managerial performance as well as to improve productivity of environmental workplace as creating proper climate of organization.

Bandura (1986) explained that how subordinates as the followers or individuals have capability to show themselves as personal agents as well as their performance challenges. In addition, human functioning is socially situated and job performance should be examined when they have had full motivation to perform (Walumbwa et al., 2008, Khan et al 2014). In this vein, the test of relationship between transformational leadership and job performance can be considered for various intervening variables. Hence, intangible variables cause to increase subordinates’ confidence, efficiencies, resource available, and accomplishment. In fact, job performance of subordinates is implied on the level of conducting and impedance of transformational leadership (Eden and Suliman, 2002). The measurement of job performance would be developed from the study of Heilman, Black, and Lucas (1992) with the following items:

1. “All in all, how competently does this individual perform the job?”
2. “In your estimation, how effectively does this individual set the work done?”
3. “How would you judge the overall quality of this individual’s work?”
4. “An overall summary of this individual competence” using the following 5 ranking:
   1: consistently performs way below expectations; 2: consistently performs below expectations; 3: consistently performs at expectations; 4: consistently performs above expectations; and 5: consistently performs beyond expectations.

The study of Nemanich and Keller (2007) measured subordinates’ performance by rating supervisory views with two scales for estimating their accomplishment of objective and acceptability of interpersonal behaviours.

2.2 Transformational Leadership Style

A leader is an individual who has salient power and dynamic traits that able to lead nation or manage of an organization (Bono and judge, 2005). Studies by Parry and Sinha (2005), Singh and Bhandarker (2002) and Arshad et al. (2014) have pointed that quality of leadership style has great prime to conduct the organization by considering competitive advantage strategy. In that case, adaptive and flexible leadership is caused by rapid changing in organization. In this vein, leaders attempt to make sense the direction process of complex problems with creative solutions in an organization (Bass et al., 2003, Qurashi et al, 2014). The adaptive and flexible leadership is called transformational by Bass in 1985.

Howell and Avolio (1993) mentioned that transformational leadership of financial managers positively predicted unit performance more than a 1-year period. Geyer and Steyrer (1998) estimated the managerial leadership directing Austrian branch banks, reported that there is a stronger positive association between transformational leadership and long- versus short-term performance. This stronger relationship between transformational leadership and long-term performance is due to transformational leaders who are considered more creative, inspired, committed, and cohesive culture in their organizations.
Transformational theory is propounded at first by Burns in 1978. Then, this theory is extended by the studies like Bass and Avolio (1993, 1994); Tichy and Devanna (1978). According to Burns (1978), transformational leadership style is happen when managers and employees are engaged in perking up motivations and moral of each other. Marzano et al. (2005) determined 4 I’s as dimensions for transformational leadership style as the following:

1st I. Idealized influence,
2nd I. Inspirational motivation,
3rd I. Intellectual stimulation, and
4th I. Individual consideration.

According to study of Dionne et al. (2004), the first dimension of transformational leadership style is as idealized influence. It is happen when leaders formulate and articulate the vision and challenging goals and attempt to motivate the subordinates to a greater extent to do their work previous their self-interest with a glance to achieving the goals of organization. In this view, the leaders are highly respected, admired, and trusted by the subordinates. In that case, the leaders need to represent their risk taking and high level of ethical and moral perform (Bass and Riggio, 2006). The second dimension of transformational leadership is inspirational motivation. As 2nd I, it is happen when leaders inspire and motivate the subordinates to fasten to the organization’s goals by providing clearly communicated prospects (Bass and Avolio, 1994). The third dimension is intellectual stimulation that is happen when leaders are eager to assist the subordinates to be more creative and innovative. In addition, the subordinates are encouraged to find new solutions for the problems. As the 4th I, intellectual consideration, the leaders should pay attention to the subordinates for development needs of subordinates, give them support and opportunities for growth (Bass and Avolio, 1994). The leaders take care of the needs of subordinates.

The Transformational Leadership Theory is not confined only to exchanging incentives for required performance (Deluga, 1992). It also stimulates subordinates to achieve more than anticipated. Leaders focus their potential on long-term goals and inspire their followers through the developed visions (Bass, 1985). Bass proposed there are three factors that constitute transformational leadership. The leader’s charisma is the first factor, which signifies the personal and mystical attributes that can create venerable power and impact. Intellectual stimulation is the second factor, whereby subordinates are motivated to use their mental potential to analyze and solve problems. Individual consideration is the third factor where leaders derive power by working as a guide to help individuals continue enhancing and developing the organization’s mission (Bass, 1985, 1990).

Transformational leadership can be measured by employing all twenty items which are involved in its dimensions namely idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration from Multifactor Leadership Questionnaire (MLQ) (Bass and Avolio, 2000). In addition, this questionnaire is widely used for scaling of transformational leadership (Judge and Bono, 2000). From psychometric perspective, this questionnaire has great validation in business, government, and military (Bass and Avolio, 2000; Tejeda et al., 2001). In this regard, 5-point Likert scale is used and its reliability as Cronbach’s Alpha is yielded 0.96 (Bono and Judge, 2003). In addition, the reliabilities of dimensions are between 0.86 and 0.90 (Nemanich and Keller, 2007).

The four dimensions of transformational leadership can be scaled with items from the Multifactor Leadership Questionnaire (MLQ Form as SX; Bass & Avolio, 1995). Four items are employed to measure intellectual stimulation (e.g., “My supervisor . . . seeks differing perspectives when solving problems”), inspirational motivation (e.g., “. . . articulates a compelling vision of the future”), and individualized consideration (e.g., “. . . treats me as an individual rather than just a member of a group”). Eight items are employed to scale idealized influence (e.g., “. . . instills pride in me for being associated with him/her”). Transformational leadership can be scaled at the individual level because the level of theory, mentioned by the outcome variables, is at the individual level (Rousseau, 1985).

2.3 Potential Boundary Condition

According to Smircich and Morgan (1982, P.258), “involves a complicity or process of negotiation through which certain individuals, simplicity of explicit, surrender their power to define the nature of their experience to others. Indeed, leadership depends on the existence of individuals willing, as a result of inclination or pressure, to surrender, at least in part, the powers to shape and define their own reality”. It is considered as a reason to resist of transformational leadership. There is a construct as Leader-Member Exchange (LMX) quality for this resistance (Graen and Uhl-Bien, 1995). Subordinates with high quality level of LMX have presented high level trust in leaders and commitment to their visions. Therefore, they are responsible to transformational leadership behaviors. Conversely, the subordinates with low quality level of LMX have shown that they are not attempted sufficiently in transformational behaviors for increasing the level of job performance. This is called as “potential boundary conditions” for transformational leadership.

2.4 The Relationship between Transformational Leadership and Job Performance

Organizational performance is the performance of each employee at the organization. In fact, it is a continuous flow to overcome the different situations or issues in the organization. In this view, changing demands at the markets is the great challenge for the organization as the performance (Weick and Quinn, 1999). The employees should be required to modify their behaviors in workplace and society. This daily adaption is as a great challenge to manage with the daily challenge of real-time adaption, employees selectively hold effective elements of their performance routines and integrate them with new, more efficient ones (Carter et al., 2012).

Bass et al. (2003) said that “Meta-analyses conducted by Lowe, Kroeck, and Sivasubramaniam (1996) and Patterson, Fuller, Kester, and Stringer (1995) have confirmed the positive relationship between transformational leadership and performance reported in the literature”. Yammarino et al. (1998) indicated there is a positive relationship between performance and transformational leadership. Along with this study, Avolio et al. 2004; Bass et al., 2003; Liao and Chuang, 2007; Piccolo and Colquitt 2006; Schaubroeck et al., 2007; Wang et al.2005; are discussed about the positive relationship between transformational leadership and subordinates’ performance. In this regard, preliminary studies have suggested the antecedents of job performance like identification level (van Knippenberg et al., 2004), self-efficacy (Chen et al., 2001; Stajkovic and Luthans, 1998), mean efficacy (Eden and Granat-Flomin, 2000; Eden and Sulimani, 2002). However, Walumbwa et al. (2008) claimed that those construct could have mediation or moderation roles in this relationship.

Along with this line, Walumbwa et al. (2008) suggested that a causal relationship model of relationship between transformational leadership and job performance which has mediators as “identification with work unit” and “self-efficacy” as well as a moderator as “mean efficacy”
which affects the relationships of job performance as dependent variable with “identification with work unit and self efficacy” as independent variables (Refer to Walumbwa et al., 2008, P.796). According to Ashforth and Mael (1989), identification with work unit is directly related to the subordinates’ social belonging groups. In the other words, the workforces can be motivated on the base of belongingness to specific social category. Further, Hogg (2001) mentioned that transformational leaders are proactive, change-oriented, innovative, and inspiring. They can be considered to have great identification with work unit members and capability to produce great motivations among the members. In that case, Bass (1988, P.50) emphasized that “and absolute emotional and cognitive identification” is as the base of identify to their mission in the organization. According to Bass (1998, P.26), motivation of subordinates can be improved by transformational leaders, because “the leaders increase the sense of self-worth among followers for such commitment, internalize the favourable attitudes of the followers toward achieving the collective success”. Dvir et al. (2002) accounted that enhancing transformational leadership causes to increasing followers’ unit identification directly and their job performance indirectly.

In general, identification is associated to subordinates’ motivations to achieve the goals and own interest (van Knipperberg, 2000). Also, the study of Walumbwa et al. (2008) yielded that job performance is positively influenced by identification and self-efficacy, while they are affected by transformational leadership style in the organization. In this line, Bass et al. (2003) declared that the situation of leadership is pertained to this relationship. For instance, Carless, Mann, and Wearing (1995) studied about transformational and transactional leadership for predicting the financial performance of Australian banks, when leadership style is considered as mediated in terms of its relationship to performance from the level of group cohesion related to each bank unit. Next instance is the study of Sosik, Avolio, and Kahai (1997) about the impact of transformational leadership for scaling the level of creative output generated by teams interacting from computer networks, it is yielded that transformational leadership has both direct and indirect relationships with performance. Level of group potency can mediate the relationship between ratings of transformational leadership and performance. Former facts confirm the positive associates among transformational leadership, cohesion, potency, and performance. In this line, Bass et al. (2003) proposed a model from direct and indirect effects of leadership styles on performance. Figure 2 illustrates that there are direct and indirect effects of transformational leadership on performance through potency as mediation in their relationship. Moreover, transactional and passive leadership styles have direct and indirect effect through the mediating effect of potency on performance; Bass et al. (2003) emphasized that passive leadership has negative relationships with potency and performance. The proposed model is carried on the study of Siebold and Lindsay (1991).

![Figure 2 Model of Leadership-Performance](Source: Adopted from Bass et al. (2003))

Consequently, Bass et al. (2003) affirmed that transformational leadership is significantly correlated to unit performance and predicts it in challenging and uncertain conditions. Transformational leadership develops the subordinates’ performance, challenging them to think in ways in which they are not usual to thinking, inspiring them to accomplish beyond what they felt is achievable, and motivating them to do so by keeping in mind the values and high moral standards that conduct their performance (Avolio, 1999; Bass et al. 2003). It is noticed that the high level performance on any dynamic, complex, turbulent environment is very hard without taking into consideration the characteristics of the performance context (Rasli, et al. 2014). In this line, Bass (1985) stated that transformational leadership energizes teams to carry on the mission when conditions are unpredictable, difficult, and stressful.

### 3.0 CONCLUSION AND DISCUSSION

In sum up, transformational leaders are propounded to increase the level of subordinates’ performance capacity by setting superior prospects and generating a superior willingness to address more difficult challenges (Arshad et al. 2014; Avolio, 1999; Bass, 1998). According to preliminary studies like Ghafoor et al., 2011; Walumbwa et al., 2008 ; Nemanich and Keller, 2007; Olkkonen and Lipponen, 2006; Yu and Miller, 2005; Bass et al., 2003; emphasized that transformational leadership is helpful for conducting subordinates by engaging their motivations and morals to achieving the goals of organization. In this view, subordinates are engaged with idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration behaviors by employing rhetorical approaches to make sense the complex problems with proper strategies. Since the relationship between transformational leadership and job performance is important, so those traits are significantly related to intrinsic motivations. According to Hackman and Oldham (1980), the actions of subordinates which are powered by self-generating, internal rewards would prove to be more effective employees. In this vein, internal motivation are associated with job performance. The considered relationship can be mediated by various constructs such as trust, satisfaction, identification, self-efficacy, etc. Further, Smircich and Morgan (1982) mentioned that leaders cannot conduct or make sense the realities of the subordinates if
those individuals did not grant the leaders such power. It may be that subordinates in high quality LMX relationships are more open to the social influence of transformational leaders, given that the leaders have earned their trust and commitment. Consequently, the efficiencies of organization are related to job performance of employees, while increasing individuals’ performance as unit performance is needed to implement proper strategies in the organization. The antecedent of job performance is regarded as transformational leadership styles. Therefore, the situation of organization which is on changing and uncertainty can be used transformational leadership for developing job performance.

References


