

A Study of Impact of Transformational Leadership on Employee Empowerment

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Abstract: In the recent times business organizations have to operate in a rapidly changing environment and in that scenario, to survive organizations are required to adjust their structure and functions according to the demands of the environment. Right from the beginning of the research in the area of change the scholars and thinkers have highlighted the role played by the human resource in effective management of change. In this context it has become necessary for the organizations in general and their managers in particular to influence the employees in such a manner that they are able to drive the process of change in a successful manner. That's why it has become extremely important for the organizations to empower the skilled and competent staff to achieve the objectives and goals of the organization. The significance of leadership is that through their actions and behavior, the leaders influence the actions and behavior of their subordinates in order to get the desired results. With respect to this issue, this study aims to provide a conceptual framework to assess the impact of transformational leadership on employee empowerment in the organizations.

Key Words: transformational leadership, employee empowerment, psychological empowerment, leadership

1. INTRODUCTION:

The 21st century has brought a new wave of change with itself and the operating environment of organizations is more dynamic than before, requiring organizations to deal with this continuously changing environment. Humans or human resource constitute the most valuable and strategic asset of each organization and every other factor whether it is technology, capital or material is controlled by the humans only. Despite the technical advancement which have taken place in the recent past nothing has been able to replace the human resource of the organization. Thus the importance of humans and their management cannot be neglected by the organizations and their managers. In this context leadership can be proved as an effective link between the individuals in the organization and their objectives. The concept of leadership is gaining increased attention from the organizational researchers for many decades. In the current times the focus of leadership has shifted from traditional or transactional style to a new and emerging style of leadership known as transformational leadership which has been regarded as visionary and charismatic. Transformational leaders through their behavior seek to empower employees in such a manner that not only the individuals working in the organization appreciate the changes put forward by the top management but they themselves bring new ideas that make organization more proactive.

As such, the study aims to investigate the relationship between transformational leadership and employee empowerment. Psychological empowerment is an effective motivational process that encompasses a self-expressive and intrinsically motivated attitude towards work. Psychologically empowered employees are competent in their abilities, exhibit self-determined orientations, and view their work as having meaning and impact (Conger & Kanungo, 1988; Spreitzer, 1995; Thomas & Velthouse, 1990). Burns (1978) noted that “the function of transformational leadership is to engage followers, not merely to activate them rather transformational leaders engage and empower followers by stimulating identification with the organization’s goals, values, and members (Kark, Shamir, & Chen, 2003) and by activating intrinsic concerns regarding self-development, achievement, and fulfillment.

Thus, the purpose of the study is to obtain a broad interpretation of the empowering influence of transformational leaders by determining how visionary and charismatic approach of a leader can empower the employees psychologically.

2. TRANSFORMATIONAL LEADERSHIP:

While analyzing political leadership, James MacGregor Burns (1978) introduced the concepts of transformational and transactional leadership. According to Burns, the distinction between these two style of leadership is in the manner of what the leaders and their followers expect from each other (Conger and Kanungo, 1998). Transformational leader puts

forward a purpose for the followers which surpasses their short term goals and emphasizes their higher order intrinsic needs. While transaction leaders mainly focus on a give and take relationship between themselves and their followers. Later, both these styles of leadership i.e. transformational and transactional were analyzed and refined by Bass (1985) and he constructed his theory with more clarifications and explanations. Bass (1985) interpreted the behaviors of leaders and identified eight dimensions of leadership encompassing these broad styles of leadership. According to him, there are four components of transformational leadership style, three of transactional type of leadership and a non-leadership dimension. He proposed full-range-of leadership model. The three dimensions of transactional leadership from highest to lowest level of activity and involvement are contingent reward, management by exception—active, and management by exception—passive. While the four major components of transformational leader are idealized influence, inspirational motivation, individualized consideration and intellectual stimulation, the components of transformational leadership can be described in the following manner:

- a. **Idealized Influence:** Sosik, Godshalk, and Yammarino (2004) explained idealized influence as charismatic behavior which the leader displays by adhering to shared values and beliefs and thus encourage the followers to put extra efforts in the direction of achievement of goals.
- b. **Inspirational Motivation** - Transformational leaders seeks to motivate their followers by communicating high expectations and rejecting normal standards of performance. They express complex and vital tasks in a simpler way and try to generate a higher level of intrinsic motivation (De Vries, 1998).
- c. **Individualized Consideration** - In a leader follower relationship consideration for subordinates has been found as one the most important characteristic of a leader, especially when it is point of followers' satisfaction (Bass,1985).
- d. **Intellectual Stimulation** - A transforming leader seeks to arouse his followers in such a manner that they aspire to go beyond what they deem possible till now (Bass,1985). It involves actions encouraged by the leader to find newer ways and methods to solve the problems and unconventional ways of carrying out roles and responsibilities assigned to the individuals.

3. PSYCHOLOGICAL EMPOWERMENT:

According to Spreitzer (1995) empowerment consist of four cognitions: meaning, self-determination, impact, and competence. While empowerment is associated with particular work assignments, its broader interpretation highlights the role played by external resources like determination and feeling of work competence is possibly effected by the way a leader positions followers' work roles and level of motivation and encouragement they provide to their followers. Empowerment has been recognized as an instrument of encouraging productive and motivated behavior in organizations (Conger and Kanungo, 1988). Burke (1986) regarded empowerment as delegation. In the motivational approach, pioneered by Conger and Kanungo (1988), empowerment was postulated as psychological enabling. Further, various researches on organisation and leadership (Bennis and Nanus, 1985) advocated that the practice of employee empowerment is a principal constituent of managerial and organizational effectiveness. Spreitzer (1995) has explained the components of empowerment as:

Meaning - compatibility between the requirement of work roles and values, beliefs and behavior.

Competence - competence can be defined as an individual's self-belief in his/her abilities and skills that he would be able to achieve a particular target or would be able to do a work in the future.

Self-determination - while competence can be described as mastery of behavior, self-determination can be explained as feeling of choice which individuals have in initiating and regulating their work actions.

Impact - it is the degree to which an individual employee working in the organization can influence various administrative and strategic decisions in the organization.

According to Spreitzer (1995) these four components together constitute the broader construct of psychological empowerment. Empowerment has also become necessary in the modern competitive world because due to liberal policies of the government the organizations are expanding day by day and the top management cannot remain present everywhere for routine functioning of the organization. Thus to make the process of decision making faster delegation is necessary so that timely and effective decisions can be ensured.

4. TRANSFORMATIONAL LEADERSHIP AND PSYCHOLOGICAL EMPOWERMENT:

In the theoretical model proposed by Thomas and Velthouse (1990) it was advocated that environment of any organization can have a significant influence over its employees' perception towards empowerment. The basic idea of

this approach is that the existing structure of the organizations and mindset of its managers may cause individuals in the organization to feel powerless resulting in underutilization of their full and creative potential which further may cause ineffective and mediocre performance. The optimum utilization of human resource and its potential can be ensured by altering or removing the conditions that results in feeling of powerlessness. The recent research and literature on leadership focuses its attention on the energizing aspect of empowerment. In this context, Bennis and Nanus (1985) conclude that great leaders always seek to empower others to translate their vision into reality. The authors further suggested that transforming leaders always energize and empower their followers by communicating an exciting vision rather than indulging in tangible transactions of rewards and punishments. They attempt to foster a participative work culture and more enabling and empowering conditions where organizational members feel more authorized to redirect their actions to fulfill the vision of the organization and the leader. Further transforming leaders also exhibit inspirational behavior which helps in building the self-confidence of the followers in achieving the goal which are established either at their individual level or at organizational level as a whole (Bass and Avolio, 1993). Transformational leaders also communicate high expectations to the followers which facilitates self-efficacy and intrinsic motivation of employees (Eden, 1992). In this context various studies suggest that charismatic leaders can promote initiatives which result in employee empowerment, by conveying vision and a sense of job ownership, as well as developing synergy and a climate of trust that encourage team spirit [Barroso, Villegas Casillas, (2008), Wang and Lee (2009), Epitropaki and Martin (2005), Ashforth, Harrison and Corley (2008)].

5. CONCLUSION:

The main purpose of the present study was to examine the role of transformational leadership played by the managers and supervisors in the process of employee empowerment. On the basis of existing literature it can be concluded that by adopting a participative and moral values approach, transforming leaders inspire their followers to tackle modern challenges through newer and unconventional ways which could result in extraordinary level of motivation. By adopting this modern approach of leadership, managers fosters a supportive environment for the followers and also provide training and coaching to the followers by considering them as individuals and not merely a small part of a larger group which results in growth and development of individual employees and thus ends up empowering the employees in the organizations.

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