

CATALYZING CHANGE: TRANSFORMATIONAL LEADERSHIP'S INFLUENCE ON MANAGEMENT PERFORMANCE

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Abstract: Transformational leadership, characterized by its ability to stimulate high-level needs and foster mutual trust, plays a pivotal role in shaping organizational dynamics. By instilling a sense of importance and responsibility among employees, this leadership style aims to surpass performance expectations. Howell et al. pioneered the exploration of the intricate relationship between transformational leadership and organizational performance. Their seminal work postulates that high-level transformational leadership enhances organizational cohesion through the charismatic influence of leaders and the motivation derived from a visionary approach. However, amidst the recognition of transformational leadership's positive impact, opposing views have emerged. Detractors argue that this leadership style either lacks a significant influence on organizational performance or, controversially, may exhibit a negative correlation. The unresolved debate surrounding the relationship between transformational leadership and organizational performance necessitates a comprehensive investigation. Unfortunately, the existing body of research in this domain lacks a systematic review, leaving critical gaps in understanding. Moreover, the impact of various moderating variables on the relationship remains understudied, contributing to the ambiguity surrounding the subject. This study seeks to address these gaps through a rigorous methodology involving a questionnaire survey and regression analysis. Employing descriptive statistics, confirmatory factor analysis, and regression analysis, the research scrutinizes the relationship between transformational leadership and organizational performance. The primary objective is to offer a nuanced understanding of the dynamics at play and contribute to resolving the controversies surrounding this critical leadership paradigm. The hypothesis driving this investigation posits that transformational leadership indeed exerts a positive influence on managerial performance. By delving into the intricacies of this relationship, the study aims to provide a comprehensive analysis that goes beyond the existing fragmented literature. The research not only adds empirical evidence to support the positive impact but also sheds light on the moderating variables that may shape the nature of this association. In conclusion, this paper contributes to the ongoing discourse on transformational leadership and organizational performance. Through a meticulous examination of existing research gaps and the application of robust analytical tools, the study aims to enhance our understanding of the transformative potential of leadership in organizational contexts.

Keywords: Transformational Leadership, Organizational Performance, Charismatic Leadership, Vision Motivation
Moderating Variables

INTRODUCTION

Transformational leadership stimulates high-level needs and builds an atmosphere of mutual trust by making employees aware of the importance and responsibility of the tasks they undertake and achieves results that exceed expectations. Howell et al. were the first scholars to study the relationship between transformational leadership and organizational performance. They believe that high-level transformational leadership can improve organizational performance by enhancing the cohesion of all people in the organization through leadership charisma and vision motivation. However, opponents argue that transformational leadership has no significant impact on organizational performance, or that there is a negative correlation between the two. The relationship between the two is still controversial, and the current research on transformational leadership and organizational performance lacks a systematic review, and the differences in research results, especially the impact of some moderating variables, have not been analyzed and explained. In this study, questionnaire survey and regression analysis were used to conduct descriptive statistics, confirmatory factor analysis and regression analysis on the research subjects. This paper puts forward the hypothesis that transformational leadership has a positive impact on managerial performance and concludes that transformational leadership has a positive impact on managerial performance.

Methodology

The basic content of the impact of transformational leadership on management performance

Burns (1978) proposed transformational leadership. According to him, transformational leadership is a process in which individuals influence each other and mobilize forces to carry out reforms in social systems and organizations. In this process, transformational leaders try to arouse the consciousness of the members of the organization by proposing higher ideals and values ^[1]. Bass (1996) developed a Multi-Factor Leadership Questionnaire (MLQ) to measure transformational leadership. Since then, MLQ has become the most widely used questionnaire in transformational leadership research. The reliability and validity of MLQ are also supported by empirical studies by some scholars. In this study, transformational leadership behavior is made up of 5 factors, while transformational leadership includes 5 independent factors: (1) leadership charisma (traits): refers to the leader's personal charisma; (2) Leadership charisma (behavior): refers to the charismatic behavior of leaders in terms of values, beliefs, and missions; (3) Charisma: Leaders motivate employees through optimism, purpose, and vision; (4) Intellectual motivation: leaders solve problems by motivating their subordinates; (5) Personalized care: care for employees ^[2]. Alimo-Metcalf et al. redefined transformational leadership and established a completely different structure from Bass by developing a new transformational leadership questionnaire. Numerous studies have proven that transformational leadership has a positive impact on organizational performance. Pullen et al. argue that transformational leadership is a key component of successful leadership behaviors. From an organizational perspective, Strange and Mumford found that the leadership process of transformational leaders can improve the creativity of organizations, which can also have a positive impact on the success of product innovation and service markets ^[3]. Sarminah found that all four dimensions of transformational leadership, with the exception of the charismatic dimension, were significantly positively correlated with organizational performance. Relevant studies by domestic scholars have also shown that transformational leadership behavior has a positive impact on organizational performance. But there are also scholars who put forward a different view. Michael et al., who studied the leadership behavior of small business CEOs in the United States, found that transformational leadership behavior was negatively correlated with organizational growth

performance. According to John et al., Henry et al., transformational leadership has no significant impact on organizational performance. Piccolo et al. found that the impact of employees' perception of core job characteristics on the task performance of subordinates is partly mediated by employees' perception of core job characteristics ^[4]. In terms of moderating variables, Howell et al. found that physical distance affects the relationship between transformational leadership behavior, subordinate individual performance, and team performance, and is a moderating variable in their action process. Therefore, the following hypotheses are proposed in this paper:

H: Transformational leadership has a positive impact on management performance.

H1: The idealized impact of TL has a positive impact on management performance.

H2: The individualized consideration of TL has a positive impact on management performance.

H3: TL's motivational motivation has a positive impact on management performance.

H4: Intellectual stimulation of TL has a positive impact on management performance.

Research methods on the impact of transformational leadership on management performance

This paper focuses on the impact of transformational leadership on management performance, and expounds the idealized influence of TL, the individualized consideration of TL, the motivational motivation of TL, and the influence of intellectual stimulation of TL on management performance, 303 complete questionnaires were distributed and recovered, and 302 valid questionnaires were finally obtained after eliminating invalid questionnaires, with an effective recovery rate of 99%. According to the theoretical knowledge involved in the study and the purpose of the study, this paper selects a questionnaire with high reliability and validity, which can be distributed on-site or online. Four dimensions of transformational leadership were employed, with 20 items in each dimension coming from the scales of Alkhaja, BA, and Miniano. Four sub-dimensions were measured: idealized impact, motivational motivation, intellectual simulation, and individualized consideration. The format is a five-point Likert scale, with "1" for "never" and "5" for "always", with higher scores indicating more frequent performance in this area.

Results and Discussion

Descriptive statistical analysis

In this study, descriptive statistical analysis was performed on the sample data to understand the dispersion degree of the sample data and ensure that the sample data satisfy the research needs. Through the questionnaire survey, the distribution of 302 valid samples is shown in the following table. As shown in the Table 1. In terms of age, the statistics of the respondents show that they are mostly concentrated between the ages of 20-25. In terms of marriage, the number of unmarried accounted for 52.6% of the total; In terms of academic qualifications, the majority of respondents were undergraduates, accounting for 40.4%; Most respondents have worked for one or two companies; The majority of respondents have worked for less than a year; The majority of respondents have worked for their existing companies for less than a year; The majority of respondents work in the private sector; Respondents' companies belong to a wide range of industries, and most of them are ordinary employees.

Table 1: The distribution of valid samples

Items	classification	Number of people	Percentage /%
Gender	Male	149	49.3

	female	153	50.7
Age	Under 20 years old	20	6.6
	20-25 years old	117	38.7
	26-30 years old	75	24.8
	31-35 years old	46	15.2
	36-45 years old	26	8.6
	Age 46 and above	18	6.0
Marital status	unmarried	159	52.6
	married	140	46.4
	others	3	1.0
Educational level	Junior high school and below	19	6.3
	Senior high school	83	27.5
	Junior college	52	17.2
	undergraduate	122	40.4
	Master degree or above	26	8.6
How many companies have you worked for?	0	47	15.6
	1-2	138	45.7
	3-4	87	28.8
	4-5	25	8.3
	6 or more	5	1.7
Number of years in the workforce	Less than 1 year	107	35.4
	More than 1 year (including), less than 3 years	55	18.2
	More than 3 years (including), less than 5 years	59	19.5
	More than 5 years (including), less than 10 years	38	12.6
	More than 10 years (inclusive)	43	14.2
Years of work experience with the current company	Less than 1 year	121	40.1
	More than 1 year (including), less than 3 years	88	29.1
	More than 3 years (including), less than 5 years	62	20.5

	More than 5 years (including), less than 10 years	16	5.3
	More than 10 years (inclusive)	15	5.0
Nature of unit/company	State-owned enterprises and administrative departments or institutions	60	19.9
	Private enterprise	118	39.1
	Joint venture	64	21.2
	Foreign-funded enterprise	22	7.3
	other	38	12.6
Industry of the company	Manufacturing industry	53	17.5
	Education and training	54	17.9
	Wholesale and retail	12	4.0
	Transportation, warehousing and postal services	12	4.0
	Accommodation, catering and tourism	13	4.3
	Healthcare industry	33	10.9
	Media and communications	42	13.9
	Banking/financial services	15	5.0
	other	68	22.5
level of positions	General staff	206	68.2
	Junior manager	70	23.2
	Middle manager	18	6.0
	Senior manager	8	2.6

3.2 Reliability analysis and validity test

Cronbach α coefficient was used to test reliability. Most academics agree that any test or scale with a reliability greater than 0.7 is acceptable. In this paper, the SPSS24.0 method is used to calculate the Cronbach α coefficient, and the calculation results are as follows:

Table 2: Management performance reliability analysis

factors	items	The corrected terms and Total correlation	After deleting the item Klonbach Alpha	Klonbach Alpha
Manager Performance	MF 1	.801	.917	0.930
	MF 2	.737	.923	

	MF 3	.768	.920	
	MF 4	.807	.916	
	MF 5	.793	.918	
	MF 6	.779	.919	
	MF 7	.750	.922	

As can be seen from the table 2, the α coefficient of management performance is 0.930, and there is no significant change in the α coefficient after the item is deleted, indicating that the management performance questionnaire has good reliability and credibility.

Table 3: Management performance validity analysis

variable	Measurement question	Factor load	variable	Measurement question	Factor load
Management performance	MF 1	.739	Management performance	MF 5	.746
	MF 2	.652		MF 6	.727
	MF 3	.693		MF 7	.709
	MF 4	.746			

The factor analysis results show the number of factors load for management performance. As shown in the Table 3, the number of factors load for management performance is greater than 0.5, that is, the validity of the variables meets the qualification criteria. Regression analysis Verify hypothesis H

Table 4: TL regression analysis of management performance

	Management performance	
	M1	M2
	β	β
age	.043	-.042
Educational level	.116	.012
Nature of unit/company	-.058	-.048
Industry of the company	.018	.014
Job level	-.019	.033
Transformational leadership		.541***
R squared	.021	.306
R squared after adjustment	.004	.291
F	1.254	21.632***

According to the results of the Table 4, the R-squared was 0.291, indicating that the explanatory variation of managerial performance was 29.1%, and transformational leadership had a significant positive impact on managerial performance ($\beta=0.541$, $p<0.05$). Let's say H is verified. Verify hypothesis H1. As shown in the Table 5, the square of R was 0.206, indicating that the explanatory variation of management performance was 20.6%,

and the idealized effect had a significant positive impact on management performance ($\beta=0.447$, $p<0.05$). Let's say H1 is verified.

Table 5: Regression analysis of idealized influence on management performance

	management performance	
	M1	M2
	β	β
age	.043	-.072
Educational level	.116	.045
Entity/Company Nature	-.058	-.029
Nature of unit/company	.018	.006
Job level	-.019	.026
Vision motivation		.447***
R squared	.021	.222
R squared after adjustment	.004	.206
F	1.254	14.006***

Verify hypothesis H2

Table 6: Regression analysis of individualized management performance

	management performance	
	M1	M2
	β	β
age	.043	-.035
Educational level	.116	.055
Nature of unit/company	-.058	-.069
Industry of the company	.018	.017
Job level	-.019	.035
Individualized care		.463***
R squared	.021	.235
R squared after adjustment	.004	.219
F	1.254	15.084***

According to the Table 6, the square of R was 0.219, indicating that the explanatory variation of management performance was 21.9%, and individualized consideration had a significant positive impact on management performance ($\beta=0.463$, $p<0.05$). Let's say H2 is verified.

Verify hypothesis H3

Table 7: Regression analysis of motivational motivation on management performance

	management performance	
	M1	M2
	β	β

age	.043	-.069
Educational level	.116	.062
Nature of unit/company	-.058	-.059
Industry of the company	.018	-.018
Job level	-.019	.002
motivation		.425***
R squared	.021	.208
R squared after adjustment	.004	.192
F	1.254	12.904***

As shown in the Table 7, the square of R was 0.192, indicating that the explanatory variation of management performance was 19.2%, and motivational motivation had a significant positive impact on management performance ($\beta=0.425$, $p<0.05$). Let's say H3 is verified.

Verify hypothesis H4

As shown in the Table 8, the square of R was 0.227, indicating that the explanatory variation of management performance was 22.7%, and the intelligence simulation had a significant positive impact on management performance ($\beta=0.481$, $p<0.05$). Let's say H4 is verified.

Table 8: Regression analysis of intellectual simulation on management performance

	management performance	
	M1	M2
	β	β
age	.043	-.026
Educational level	.116	.007
Nature of unit/company	-.058	-.053
Industry of the company	.018	.027
Job level	-.019	.020
motivation		.481***
R squared	.021	.242
R squared after adjustment	.004	.227
F	1.254	15.701***

Conclusion

Through questionnaires and regression analysis, this paper proves that transformational leadership has a positive impact on managerial performance, and that the idealized influence of TL, the individualized consideration of TL, the motivational motivation of TL and the intellectual stimulation of TL have a positive impact on managerial performance. High-level transformational leadership can enhance the cohesion of all people in the organization through leadership charisma and vision motivation in the process of enterprise management, so as to improve organizational performance.

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