The RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP STYLE AND EMPLOYEES PERFORMANCE

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Abstract

This study aims to identify and understand the relationship between transformational leadership style and employees performance. The primary data were collected from 362 valid questionnaires, which were distributed, to random in Saudi Arabia (king abdullah medical city). The analyses of the gathered data employed the partial least SPSS. The validity of the final overall model was evaluated using the statistics and acceptable fit of the measurement model to the data has been demonstrated. The main findings of the study are: trust factor has a positive and significant impact on transformational leadership style and employees performance.

Keyword: Transformational Leadership Style, Employees Performance.

1.INTRODUCTION

Two basic problems lie at the root of the question of identifying leadership. Firstly, leadership is a dynamic system open to subjective interpretation as terms such as 'love,' 'freedom' and 'happiness.' It is an experience and a learning combination where everyone has their own intuitive interpretation of what leadership is, which is hard to grasp in a concise description. Second , the theory greatly affects the way leadership is interpreted and understood. Many people see leadership as the product of a variety of 'leader' characteristics, while others see leadership as a social mechanism arising out of a community relationshipsSuch differences of opinion will often give rise to varying views on leadership's essence (Richard Bolden, 2004).

Northouse (2007) described four key concepts in a recent analysis of the leadership theory, which is now standard in the way leadership is supposed to be designed: (1) leadership is a process; (2) leadership involves impact; (3) leadership takes place in a group context; and (4) leadership involves achievement of goals.

This is a reasonable description, but the person is still the source of leadership. A rather more communal concept of management emerges from Yukl's review: "Most leadership definitions are the assumption that a process of social influence involves one person [or group] exercising intentional influence over other people, to structure their activities and relations within a group or organization" (Yukl & G.A., 2002).

In short, leadership is a dynamic concept that influences many other big business, financial, and individual processes. It depends on a persuasion mechanism, where people are motivated not by coercion but by personal encouragement, to work towards group objectives (Richard Bolden, 2004).

One thing is to realize that culture is critical in influencing the activities and results of organizations, both private and public. But the following question is how managers (leaders) can affect or shape culture. Culture is particularly relevant when an organization undergoes drastic changes or implements major improvements that include cultural or value-added features other than those seen in the past (Namara et al. 2008). Namara et al. (2008) described six main problems that managers need to tackle to help create a more developmental and performance-based organization. They are building a culture of transformation, advocate leadership, commitment and empowerment of workers, team development , cultural change management and preparation, appreciation and acknowledgement.

Leadership and management science have been isolated from one another for a long time. In reality, management and leadership are inseparable and complement one another with dynamic functions. From

a conceptual standpoint, leadership and management principles are also part of corporate management. A good combination of these can have a positive impact in leadership and management from a realistic point of view. Leadership and management are also two central aspects of corporate management and organizational managers are leaders and managers. Theory and practice cannot distinguish leadership and management. Management and management. Leadership science and management science should be combined organically to shape one management science. (Brand et al. 2014).

A few studies, however, spotted the light on the effect of organization culture on either transformational leadership style and employee performance. However, previous researcher's ex. (Desai & Srivastava 2017; Toufaili, 2017) found that there is a relationship between transformational leadership style and employee performance. Ogola, Sikalieh and Linge (2017) argue that organization culture could moderate the relationship between transformational leadership style and employee performance. In addition, Hijry & Haleem (2017) found that employee's performance in the healthcare field in Saudi Arabia is not up to the standards and expectations.

2. LITERATURE REVIEW

2.1. Transformational Leadership Style

Transformative leadership is described as an approach to leadership that changes people and social structures. This produces important psychological progress in the followers in its ideal shape, with the ultimate goal of being members. Transformative leadership, applied in its true nature, improves the inspiration, morality and success of followers through various mechanisms. It involves linking the sense of identity and self of the follower to the organization's purpose and collective identities, being an inspiration for followers, encouraging followers to become more self-sufficient, and recognizing the strengths and weaknesses of followers in order to bring followers into line with performance-optimizing tasks.The principles of lead transformation were first proposed by James MacGregor Burns (1978) and Northouse (2007) in his concise analysis of political leaders. According to Burns, leadership transition is a phase where "leaders and

members contribute to a higher degree of values and motivation." Burns referred to the difficulties of differentiating management and management and said that the features and attitudes are different.

Democratic or participative leadership style has more leverage for followers. A democratic leader gives direction to followers and gives discretion to groups to make their own decisions. Democratic leaders boost up their subordinates to define their own goals, make strategies and set procedures to perform their functions (Bartol, et al. 2003). They also encourage followers to give suggestions and ideas for better working and to achieve organizational goals in a better way (Bartol, et al. 2003). Democratic leaders inspire people for teamwork and lead them to achieve individual as well as organizational goals. Participative leadership style is ideal for the employees who want to participate in decision making and setting goals with their managers. Bill Gates is a famous example of a participative leader. He keeps on communicating with his workers of all levels and encourages them to involve in decision making process and also encourages teamwork approach among his employees' groups (Dubrin, Dalglish & Miller 2006).

However, it is observed in literature that democratic leadership style fuels leaders to get suggestions from subordinates and then proceed for the decision making process based on employees' suggestions. Democratic leadership style is very inspiring for followers; it takes their participation and removes many obstacles (Dubrin & Dalglish 2003). Democratic leadership style is usually appropriate for many organizations because leaders motivate their employees in decision making by getting their suggestions and feedback. Leaders and subordinates pool their intellectual resources together to generate new ideas in a participative environment. So, Democratic leadership style provides an excellent way of governance with the help of the entire staff's involvement in decision making and suggestions for new ideas to achieve organizational goals (Bartol, et al. 2003).

He developed two concepts: "leadership transition" and "transactional leadership." The transformative approach, according to Burns, is a major change in people's and organizations' lives. It redesigns experiences and principles and shifts workers' perceptions and goals. It is not based on a "give and take" relationship, as opposed to a transactional approach, but on leader temperament,

qualities and willingness to adapt through examples, the articulation of an energizing vision and demanding goals. The leaders that are transforming are idealised in that they are moral examples that help the team, organization and/or community. Burns theorized that mutually contradictory models were changing and transactional leadership. Transactional leaders do not usually aim for cultural change in their organisation, but operate in the current culture while leaders in transition may attempt to change their organisation.

2.2. Employee Performance

The performance of the employee is measured on the employee's ability to execute the tasks or activities within the necessary time frames and on the necessary quality results.

Transformational management is primarily a methodology of leadership thoroughly studied. In addition, research findings indicate that there is a positive correlation between technology and organizational efficiency for change in leadership (Naeem, Khanzada, 2018). Leaders with transformative leadership characteristics are highly willing, enthusiastic, inspired and energetic.

Transformative leaders have made every effort to increase their followers' abilities, potential, ethics and trust. The transformation leaders express and converse with their employees a convincing visualization that promotes, encourages and inspires them to achieve unforeseen goals and objectives of Antonakis et al . , 2003). Leaders are frank, straight and display uprightness with transformational skills.

They set specific goals and express these expectations to their employees and share their dream with them (Balyer, 2012). Transformation leadership is being spoken about in settings where members and their workers work actively to change the company (Alrifi, 2012).

3. HYPOTHESIS DEVELOPMENT AND RESEARCH FRAMEWORK

The hypothesis of this study used was developed after intensive reading of previous findings and recommendation of previous researchers.

3.1. Transformational Leadership and Employee Performance

Basic work has been carried out both in Kenya and around the world on transition leadership in employee efficiency. The effect of Transformational and Servant Management on employee efficiency of Pakistan's profit-based services sector has been explored in Choudhary, Akhtar, and Zaheer (2012).

They find that transformational leadership enhances the efficiency of their employees. A similar evaluation of the leadership styles of Slovenian entrepreneurs' founders of SMEs was given by Jelovac and Matjaz (2012). Their findings indicate that the use of transformational leadership is related to increased self-reported performance.

Parallel findings are obtained from similar studies in Kenya. For example , in a study (Mbithi, 2014) the universities in Kenya have been able to respond to reform and concentrate on their leadership, which is important to both the administration of transformation and academic excellence.

It was evident that the transformational leadership actions of the leading universities in Kenya resulted in a high level of success for workers and employees and that their top leadership would adapt their strategies to the right organizational effectiveness, structure, program and technology. Hence

H1: There is a significant relationship between Idealized influence and employee performance.
H2: There is a significant relationship between Individualized Consideration and employee performance.
H3: There is a significant relationship between Inspirational Motivation and employee performance.
H4: There is a significant relationship between Intellectual Stimulation and employee performance.

3.2. Research Framework

The conceptual frame work in figure 1.1 shows the relationship between transformational leadership style and employee performance . Although, transformation leadership style contains of certain factors including idealized influence, inspirational motivation, intellectual stimulation and individualized consideration, Andreani

and Petrik, (2016) recommended to study the transformational leadership as a single variable as the

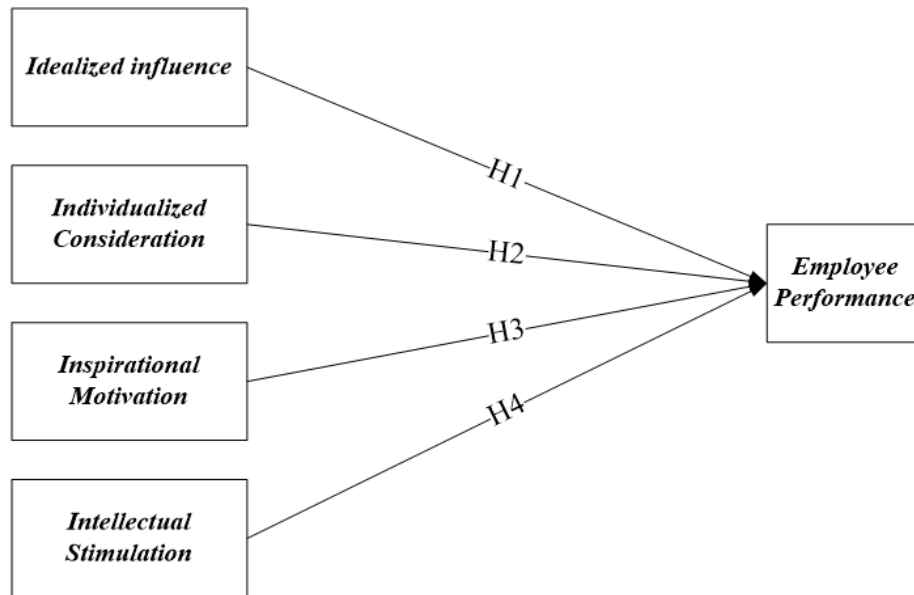Items questionnaire used were designed to cover all elements.

Figure 1: Research Model

4. RESEARCH METHODOLOGY

The sample size was selected using Sakaran (2003) table select a random sample consisting of 362 employees from the sample frame. The study use survey questionnaire approach. The results of the study then will be analyzed using SPSS. Above enrolling in Saudi Arabia (king abdullah medical city) as respondents. As for data, they were obtained online (online questionnaires at www.surveyshare.com). There is only one part to the questionnaire. This one part contains items, which represent several constructs. The 5-point scale was chosen for measuring the acceptance level of users. In order to, this study utilized regression analysis.

5. INSTRUMENT DEVELOPMENT

5.1. Pilot Study

Pilot analysis is an important aspect of the research questionnaire design which must be carried out prior to the primary data collection process to ensure that the design of the questionnaire is error-free which ensures correct findings and errors are not missing (Sekaran,

2003). A pilot (a pre-test) analysis was then conducted for the purpose of this study prior to using the survey questionnaire. The goal of this pilot study was to ensure that interviewees understood the questions and that no ambiguity was released when answering the questionnaire and reading the statements.

Table 1. 1:Total of Items Reliability Statistics

Variable	Alpha (a)
Idealized Influence	.784
Individualized Consideration	.857
Inspirational Motivation	.798
Intellectual Stimulation	.754
Employee's Performance	.876

5.2. Multiple Regression Analysis

"Multiple regressions are an extension of simple linear regression. It is used when we want to predict the value

of a variable based on the value of two or more other variables. The variable researcher wants to predict is called the dependent variable (Performance). While the variables researcher is using to predict the value of the dependent variable are called the independent variables Basically, the research going to run the multiple regression analysis .

"A model summary is automatically created when running regression modeling or a classification modeling. R: Multiple correlation coefficient between all the independent variables in the model and the Dependent variable which shows very strong relationship by obtaining R=83.6 %. R-squared is a statistical measure of how close the data are to the fitted regression line. The result in the model summary table shows the model summary and the overall fit statistics. Findings shows that the adjusted R^2 of the model is 0.695 with R^2=0.699 which means that the linear regression explain 69.9 % of the variance in the data."

Table 1. 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.836a	.699	.695	.41549

5.3. Hypothesis Testing Summary

"In the section the research summarizes the final results of the hypothesizer were examined in this study. As shown in table below we can see that 9 hypothesis out of the total hypothesis were accepted. However, there is one hypothesis which was not supported.

Table 1. 3:Hypothesis Testing Summary

NO.	The Hypothesis	Beta Value	Sig. Test	Decision
H1	There is a significant relationship between Idealized influence and employee performance.	0.534	0.874	Rejected
H2	There is a significant relationship between Individualized Consideration and employee performance.	0.507	0.04	Accepted
H3	There is a significant relationship between Inspirational Motivation and employee performance.	0.254	0.03	Accepted
H4	There is a significant relationship between Intellectual Stimulation and employee performance.	0.411	0.00	Accepted

6. SUMMARY

In this paper, the researcher discussed the findings of data analysis and the results of Reliability analysis was applied to measure the internal consistency of the items were used to collect the data. Additionally, the correlation analysis was applied in order to find out the correlation between the variables used in these researches. Furthermore, the researcher runs the regression analysis.

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