



Transformational Leadership: The Impact on Organizational and Personal Outcomes

Roger J. Givens

Regent University Doctoral Student

Transformational leaders inspire followers to accomplish more by concentrating on the follower's values and helping the follower align these values with the values of the organization. The purpose of this literature review is to investigate the impact of the transformational leadership style on organizational outcomes and the personal outcomes of the follower. This review examines the following organizational outcomes: organizational citizenship behavior/performance, organizational culture, and organizational vision. The review also explores the following personal outcomes of the follower: empowerment, job satisfaction, commitment, trust, self-efficacy beliefs, and motivation. By understanding the impact of transformational leadership on these outcomes, transformational leaders can influence employee behavior so that the behavior has a positive impact on the organization.

Transformational leadership theory has captured the interest of many researchers in the field of organizational leadership over the past three decades. This theory was developed by Burns (1978) and later enhanced by Bass (1985, 1998) and others (Avolio & Bass, 1988; Bass & Avolio, 1994; Bennis & Nanus, 1985; Tichy & Devanna, 1986). The major premise of the transformational leadership theory is the leader's ability to motivate the follower to accomplish more than what the follower planned to accomplish (Krishnan, 2005). Transformational leadership has four components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1985). Burns postulated that transformational leaders inspire followers to accomplish more by concentrating on the follower's values and helping the follower align these values with the values of the organization. Furthermore, Burns identified transformational leadership as a relationship in which the leader and the follower motivated each other to higher levels which resulted in value system congruence between the leader and the follower (Krishnan, 2002).

Transformational leadership has been associated with the personal outcomes (Hatter & Bass, 1988; Barling, Moutinho, & Kelloway, 1998; Kirkpatrick & Locke, 1996) of the follower as well as organizational outcomes (Boerner, Eisenbeiss, & Griesser, 2007; Zhu, Chew, & Spangler, 2005; Jorg & Schyns, 2004; Barling, Weber, & Kelloway, 1996; Howell & Avolio,

1993). Research has shown that transformational leadership impacts follower satisfaction (Hatter & Bass; Koh, Steers, & Terborg, 1995) and commitment to the organization (Barling et al., 1996; Koh et al.). Research has also shown that transformational leadership impacts employee commitment to organizational change (Yu, Leithwood, & Jantzi, 2002) and organizational conditions (Lam, Wei, Pan, & Chan, 2002). Due to its impact on personal and organizational outcomes, transformational leadership is needed in all organizations (Tucker & Russell, 2004).

According to Aarons (2006), “Leadership is associated with organizational and staff performance” (p. 1163). Personal and organizational behavior related to leadership demands a more candid look at the leadership styles which may have a positive or negative impact on these two variables. The purpose of this literature review is to investigate the impact of the transformational leadership style on organizational outcomes and the personal outcomes of the follower. This review will examine the following organizational outcomes: organizational citizenship behavior/performance, organizational culture, and organizational vision. The review will also explore the following personal outcomes of the follower: empowerment, job satisfaction, commitment, trust, self-efficacy beliefs, and motivation. By understanding the impact of transformational leadership on the organizational and personal outcomes mentioned above, transformational leaders can influence and motivate the behavior of employees in such a way that the resultant behavior has a positive impact on the organization.

This literature review will investigate the following areas: transformational leadership theory and its relationship to, or influence on, organizational outcomes and the personal outcomes of the follower. Transformational leadership theory will provide the theoretical framework for examining the organizational and personal outcomes. The literature review will provide information regarding the importance of the transformational leadership theory to research and practice and for responding to the following research questions:

1. What is the impact of the transformational leadership style on organizational outcomes?
2. What is the impact of the transformational leadership style on the personal outcomes of the follower?

The literature review will conclude with the implications for further research, theory, and practice in the area of transformational leadership and organizational and personal outcomes.

Theoretical Framework

Transformational leadership theory was developed in the late 20th century by Burns (1978) in his analysis of political leaders. Prior to this time much attention had been given to the examination of the approaches of leaders who successfully transformed organizations. Burns characterized transformational leadership as that which “occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality” (p. 20). He believed that transformational leadership could raise followers from a lower level to a higher level of needs which agrees with Maslow’s (1954) hierarchy of needs.

Bass (1985) refined and expanded Burns’ leadership theory. Bass said that a leader is “one who motivates us to do more than we originally expected to do” (p. 20). He said that this motivation could be achieved by raising the awareness level about the importance of outcomes and ways to reach them. Bass also said that leaders encourage followers to go beyond self-interest for the good of the team or the organization.

An expanded and refined version of Burn's transformational leadership theory has been utilized in organizations since the 1980s (Bass, 1985; Bass, Waldman, Avolio, & Bebb, 1987; Tichy & Devanna, 1986). The use of this theory concentrated on exchanges between leaders and followers inside the organization. Transformational leadership serves as a means to "create and sustain a context for building human capacity by identifying and developing core values and unifying purpose, liberating human potential and generating increased capacity, developing leadership and effective followership, utilizing interaction-focused organizational design, and building interconnectedness" (Hickman, 1997, p. 2).

Transformational leaders work to bring about human and economic transformation. Within the organization they generate visions, missions, goals, and a culture that contributes to the ability of individuals, groups, and the organization to "practice its values and serve its purpose" (Hickman, 1997, p. 9). These leaders are reliable leaders who generate commitment from followers which results in a sense of shared purpose (Waddock & Post, 1991). The leader's ability to inspire, motivate, and foster commitment to a shared purpose is crucial (Bass, Waldman et al., 1987).

Several studies have documented important connections between transformational leadership and organizational operation. Transformational leadership has been linked to an array of outcomes, such as employee commitment to the organization (Barling, Weber, & Kelloway, 1996) and job satisfaction and satisfaction with a leader (Koh, Steers, & Terborg, 1995; Lowe & Kroeck, 1996). Bryman (1992) discovered that transformational leadership is positively related to a number of important organizational outcomes including perceived extra effort, organizational citizenship behaviors, and job satisfaction. According to Trice and Beyer (1993) and Schein (1985), leadership can change and sustain the culture of the organization by generating new or reinforcing established sets of beliefs, shared values, practices, and norms within organizations. Trust in the workplace is another outcome that is developed through the organization's leaders (Creed & Miles, 1996; Shaw, 1997). Literature concerning trust suggests that it is a central feature in the relationship that transformational leaders have with their followers (Butler, Cantrell, & Flick, 1999; Gillespie & Mann, 2000; Podsakoff, MacKenzie, & Bommer, 1996).

Organizational Outcomes

Transformational leaders influence subordinates by motivating and inspiring them to achieve organizational goals (Bass & Avolio, 1995). Transformational leaders also try to help subordinates imagine appealing future outcomes (Bass & Avolio) related to the organization. Research has shown that transformational leaders affect organizational outcomes such as organizational citizenship behavior, organizational commitment, job satisfaction, effort, and in-role performance (Nguni, Slegers, & Denessen, 2006). This review of literature will specifically examine the influence of transformational leadership on the following organizational outcomes: organizational citizenship behavior/performance, organizational culture, and organizational vision. Table 1 presents characteristics of each outcome.

Table 1: Organizational Outcomes

Organizational outcomes	Characteristics	Related studies
Organizational citizenship behavior/performance	<ol style="list-style-type: none"> 1. Positive benefits for organizations and organization personnel 2. Positive, selfless behavior 3. Positive effect on employee performance 	Ackfeldt & Leonard, 2005; Bolino, Turnley, & Bloodgood, 2002; Barksdale & Werner, 2001; Nguni, Slegers & Denessen, 2006; MacKenzie, Podsakoff, & Ahearne, 1998
Culture	<ol style="list-style-type: none"> 1. Influence of leader can be seen in employees who work in organization 2. Impacts commitment, performance and productivity 3. Revision of shared assumptions and values 	Denison, 1984; Posner, Kouzes, & Schmidt, 1985; Jones, Felps, and Bigley, 2007
Vision	<ol style="list-style-type: none"> 1. Followers' frame of reference or thinking is changed so that they see new opportunities that were not noticed before 2. Followers are inspired to reach their potential in the context of the work that needs to be done to achieve the organization's vision and mission 	Mink, 1992; Keller, 1995; Zaccaro & Banks, 2001

Organizational Citizenship Behavior/Performance

Organizational citizenship behavior/performance is described as non-obligatory, voluntary behavior by an employee, which exceeds the employee's normal work duties and is not associated with any type of organizational reward system (Organ, 1990). Research has shown that organizational citizenship behavior/performance has a positive effect on employee performance (MacKenzie, Podsakoff, & Ahearne, 1998; Podsakoff, MacKenzie, Paine, & Bachrach, 2000) and produces positive benefits for organizations and organizational personnel (Ackfeldt & Leonard, 2005; Bolino, Turnley, & Bloodgood, 2002; Barksdale & Werner, 2001). According to Schlechter and Engelbrecht (2006), "Organizational citizenship behavior is by its very nature an extremely positive and desirable behavioral phenomenon. It is behavior that the organization would want to promote and encourage" (p. 2). Moreover, organizational citizenship behavior/performance is positive, selfless behavior for organizations because it involves employees giving help to each other without the expectation that those receiving the help will have to give anything back in return (Nguni, Slegers, & Denessen, 2006).

Past research has demonstrated that transformational leadership has a direct influence on organizational citizenship behavior/performance (MacKenzie, Podsakoff, & Rich, 2001; Podsakoff, MacKenzie & Bommer, 1996; Koh et al., 1995).

Transformational leaders are assumed to “stimulate followers to perform beyond the level of expectations” (Bass, 1985, p. 32). Therefore, it seems likely that transformational leaders, by stimulating followers’ organizational citizenship behavior (Podsakoff, MacKenzie, Moorman, & Fetter, 1990), enhance quality and quantity of follower performance.

Bass (1990) theorized that transformational leadership creates employees who are unselfish, faithful, and connected to the organization. These types of employees often perform beyond what is expected of them (Bass, 1985) in relation to their job descriptions. Several studies have shown a direct connection between transformational leadership and the following organizational citizenship behaviors: virtue, helping, sportsmanship, courtesy, and altruism (MacKenzie et al., 2001; Pillai, Schriesheim, & Williams, 1999; Podsakoff et al., 1990). Based on past empirical research (Zellars, Tepper, & Duffy, 2002; Koh et al., 1995), Schlechter and Engelbrecht (2006) concluded that transformational leadership has a direct and an indirect impact on organizational citizenship behavior.

H₁: The transformational leadership style will have a positive impact on organizational citizenship behavior/performance.

Organizational Culture

Organizational culture influences every facet of an organization (Saffold, 1988) and impacts various organizational outcomes such as commitment, performance, productivity, self-confidence, and ethical behavior (Deal & Kennedy, 1982; Denison, 1984; Ouchi, 1981; Posner, Kouzes, & Schmidt, 1985; Pritchard & Karasick, 1973; Sathe, 1985). Several definitions have been proposed to describe culture. Tichy (1982) defined culture as the “glue that holds an organization together” (p. 63). Forehand and von Gilmer (1964) stated that an organization’s culture is comprised of distinctive characteristics that distinguishes a particular organization from all others. Jones, Felps, and Bigley (2007) proposed a more elaborate definition of organizational culture. These authors described organizational culture in the following manner:

In general, culture is a property of an organization constituted by (1) its members’ taken-for-granted beliefs regarding the nature of reality, called assumptions; (2) a set of normative, moral, and functional guidelines or criteria for making decisions, called values; and (3) the practices or ways of working together that follow from the aforementioned assumptions and values, called artifacts (Geertz, 1973; Hatch, 1993; Pettigrew, 1979; Schein, 1985, 1990; Trice & Beyer, 1984). Organizational culture reflects a sort of negotiated order (Fine, 1984) that arises and evolves as members work together, expressing preferences, exhibiting more-or-less effective problem-solving styles (Swidler, 1986), and managing, at least satisfactorily, external demands and internal needs for coordination and integration (Schein, 1990). In effect, culture represents an aspect of the organizational environment that helps members make sense of their own and others’ behavior (Golden, 1992). (p. 142)

The leadership style of the organization’s leader has a major impact on the development of the organization’s culture. According to Schein (1985, 1995), the leader’s beliefs, values, and assumptions shape the culture of the organization and these beliefs, values, and assumptions are then taught to other members of the organization. Schein also stated that leaders have the power to embed organizational culture through various methods such as mentoring, role modeling, and teaching. Bass and Avolio (1993) provided the following description of transformational culture:

In a transformational culture, one fitting with the model of the four I's, there is generally a sense of purpose and a feeling of family. Commitments are long-term. Leaders and followers share mutual interests and a sense of shared fates and interdependence. A transformational leadership culture, like leadership, can build on or augment the transactional culture of the organization. The inclusion of assumptions, norms, and values which are transformationally based does not preclude individuals pursuing their own goals and rewards. (p. 116)

The influence of transformational leaders on organizational cultures can be seen in the employees who work in the organization (Tucker & Russell, 2004). Transformational leaders help subordinates discover who they are and what part they play in helping the organization achieve its mission. By interacting with subordinates in this manner, transformational leaders help subordinates increase their level of commitment to the organization (Tucker & Russell). Transformational leaders also influence the organization's culture through its impact on organizational productivity. When the values and the culture of an organization are accentuated by transformational leaders, productivity and innovation within the organization improves (Niehoff, Enz, & Grover, 1990). Moreover, transformational leaders influence organizational culture by helping organizations see the world in different ways (Mink, 1992). As the external environment of the organization changes, transformational leaders influence organizational culture by helping organizations adapt to this new environment (Smith, 1990).

Studies in various organizational types such as the military (Bass, Avolio, & Goodheim, 1987), religious organizations (Smith, Carson, & Alexander, 1984), industry (Avolio & Bass, 1987; Hatter & Bass, 1988), technology (Howell & Higgins, 1990), and laboratory settings (Waldman, Bass, & Einstein, 1987) all demonstrate that transformational leaders provide the leadership style which produces effective organizations (Sashkin, 1987). According to Schein (1992), "Organizational culture can determine the degree of effectiveness of the organization either through its strength or through its type" (p. 24). Weese (1995) conducted a study on several university sports programs and the results showed that transformational leaders have organizations with strong cultures and are better than other leaders at providing activities which continue to build culture.

H₂: The transformational leadership style will have a positive impact on long-term commitment, a sense of purpose, and the mutual interest of leaders and followers.

Organizational Vision

Transformational leadership has four components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1985) which involves motivating people, establishing a foundation for leadership authority and integrity, and inspiring a shared vision of the future (Tracey & Hinkin, 1998). Idealized influence and inspirational motivation are connected with the leader's ability to formulate and articulate a shared vision (Dionne, Yammarino, Atwater, & Spangler, 2004). The leader exudes power and impacts followers through visionary means (Bass, 1985). Developing a transparent vision and inspiring subordinates to pursue the vision is of great importance to transformational leaders (Lievens, Van Geit, and Coetsier, 1997). According to Tucker and Russell (2004),

Transformational leaders emphasize new possibilities and promote a compelling vision of the future. A strong sense of purpose guides their vision. Transforming organizations led

by transforming leaders appeal to human characteristics that lift their sights above the routine, everyday elements of a mechanistic, power-oriented system. Transformational leaders manifest passionate inspiration (Hersey & Blanchard, 1996) and visibly model appropriate behaviors (Kouzes & Posner, 1987). The goal is change that raises the organizations to new and exciting possibilities. To reach the goal, organizations must receive new energy and vision from their leaders. The process of transformational leadership grows out of this sense of vision and energy. (p. 105)

Several studies (Davidhizer & Shearer, 1997; Keller, 1995; King, 1994; Mink, 1992; Wofford & Goodwin, 1994; Zaccaro & Banks, 2001) have been conducted that demonstrate a positive relationship between transformational leaders and organizational vision. Transformational leaders are necessary in all organizations. The primary goal of these leaders is to change the current structure of the organization and inspire organizational employees to believe in a new vision that has new opportunities (Tucker & Russell) for the individual and the organization as a whole.

H₃: The transformational leadership style will have a positive impact on organizational vision.

Summary

The transformational leadership theory has been positively linked to a variety of organizational outcomes (Bryman, 1992). The researchers (MacKenzie, Podsakoff, & Rich, 2001; Podsakoff, MacKenzie & Bommer, 1996; Avolio & Bass, 1987; Hatter & Bass, 1988; Zaccaro & Banks, 2001; Davidhizer & Shearer, 1997) demonstrated that transformational leadership has a positive influence on organizational citizenship behavior/performance, organizational culture, and organizational vision. This literature review has significant implications for transformational leadership research, theory, and practice. From a theoretical perspective, the literature review confirms the assertions of the transformational leadership theory, provides empirical evidence, and strengthens the belief that transformational leadership produces positive results for organizations. From a research standpoint, the literature review opens the door for further research on subordinates' perception of the transformational leader's influence on these and other organizational outcomes. Further research should also be performed to investigate the impact of transformational leadership on organizational climate. Organizational culture and climate "have been viewed as being distinct, a function of, or reaction to one another" (Hughes, Ginnett, & Curphy, 2002). The research should determine whether or not the transformational leader's influence on organizational climate is congruent with or stands in contradiction to the transformational leader's influence on organizational culture. From a practical outlook, this review of literature can help transformational leaders identify areas in which their particular leadership style has been proven to be most effective for organizations. This review of literature can also help these leaders better align their leadership skills with the goals and values of the organization so that their influence throughout the organization is greater and produces the highest level of results for the organization.

Personal Outcomes

Research studies have repeatedly shown that transformational leadership is positively connected to personal outcomes (Dumdum, Lowe, & Avolio, 2002; Fuller, Patterson, Hester, & Stringer, 1996). The relationship between transformational leadership and personal outcomes such as job satisfaction and commitment is well established (Bass, 1998). Bass (1985) declared that transformational leaders inspire their followers to go above and beyond their own self interests for the sake of the organization as a whole. As a result, these leaders are able to bring a deeper insight and appreciation of input received from each member. Bass (1985) further argued that transformational leaders encourage followers to think critically and look for new approaches to do their jobs. This challenge given to followers motivates them to become more involved in their tasks which results in an increase in the degree of satisfaction with their work and commitment to the organization. There is also empirical support for this position. Dvir, Eden, Avolio, and Shamir (2002) showed that transformational leaders had a direct impact on followers' empowerment, morality, and motivation. In another experimental study, Barling, Weber, and Kelloway (1996) reported a significant impact of transformational leadership on followers' commitment and unit-level financial performance. Other studies also showed positive relationships between transformational leadership and personal outcomes such as satisfaction, performance, and commitment (Bycio, Hackett, & Allen, 1995; Dundum et al.; Fuller et al.; Koh, Steers, & Terborg, 1995;). By showing respect and confidence in their followers, transformational leaders create a great degree of trust and loyalty on the part of the followers to the extent that followers are willing to identify with the leader and the organization. This trust and loyalty results in followers who trust in and identify with the leader and are willing to commit to the organization even under very difficult circumstances.

This review of literature will specifically examine the influence of transformational leadership on the following personal outcomes: empowerment, job satisfaction, commitment, trust, self-efficacy beliefs, and motivation. Table 2 presents characteristics of each outcome.

Empowerment

Transformational leaders utilize behavior that empowers followers and intensifies their motivation (Masi & Cooke, 2000). Followers are empowered not only by the vision formed by the transformational leader, but also by the signals the leader sends regarding their capacity to achieve that vision (Eden, 1992). Transformational leaders construct a participative climate and empowered condition that allows followers to respond quickly and with flexibility to change in organizational and environmental demands (Lawler, 1994; Harrison, 1995).

Transformational leadership theory has repeatedly stressed followers' progress in the direction of independence and empowerment over robotically following a leader (Graham, 1988). Intellectuals consider a critical-independent approach to be a necessary empowerment process among followers of transformational leaders. Bass and Avolio (1990) stated that transformational leaders augment followers' power to think on their own, develop fresh ideas, and question operating rules that are archaic. Avolio and Gibbons (1988) stated that a major goal of transformational leadership is to develop follower self-management and self-development. Shamir (1991) similarly stressed the transformational impact of transformational leaders on follower independence. The view that empowerment is an outcome of transformational leadership is also consistent with Kelley's (1992) theory of styles of followership. According to

Conger and Kanungo (1988), transformational leadership is also connected to empowerment through self-efficacy.

H₄: The transformational leadership style will have a positive impact on empowerment.

Table 2: Personal Outcomes

Personal outcomes	Characteristics	Related studies
Empowerment	<ol style="list-style-type: none"> 1. Followers' power to think on their own 2. Participative climate 3. Self-efficacy 	Masi & Cooke, 2000
Job satisfaction	<ol style="list-style-type: none"> 1. Stems from follower's perception 2. Responsibility and autonomy in work tasks 	Maeroff, 1988; Nguni, Slegers, & Denessen, 2006; Emery & Barker, 2007
Commitment	<ol style="list-style-type: none"> 1. Enthusiasm 2. Work experiences, organizational and 3. personal factors serve as antecedents 	Allen & Meyer, 1990, 1996; Dee, Henkin, & Singleton, 2004; Nguni, Slegers, & Denessen, 2006
Trust	<ol style="list-style-type: none"> 1. Essential in relationship between transformational leader and followers 2. Determines much of the organization's character and influences organizational structure 	Butler, Cantrell, & Flick, 1999; Gillespie & Mann, 2000; Podsakoff, Mackenzie, Moorman, & Fetter, 1990
Self-efficacy beliefs	<ol style="list-style-type: none"> 1. Influences patterns of thoughts, emotions and actions 2. Increases when leader shows confidence in followers 	Bandura, 1977, 1993; Gist, 1987; Waldman & Spangler, 1989
Motivation	<ol style="list-style-type: none"> 1. Extra effort is an indicator 2. High energy level among followers 3. One of three main domains of follower's development 	Hatter & Bass, 1988; House & Shamir, 1993

Job Satisfaction

Job satisfaction can be defined as “a pleasurable or positive emotional state resulting from the appraisal of one’s job and job experience” (Locke, 1976, p. 1304). Job satisfaction stems from the follower’s perception that the job actually provides what he or she values in the work situation (Nguni, Slegers, & Denessen, 2006).

Job satisfaction is often theorized as containing the following essentials: the job itself, supervisor relationship, management beliefs, future opportunity, work environment, pay/benefits/rewards, and co-worker relationships (Morris, 1995). When job satisfaction is examined in the context of transformational leadership, several predictions are suggested. First, transformational leadership might intrinsically foster more job satisfaction given its ability to

impart a sense of mission and intellectual stimulation. Also, transformational leaders encourage the followers to take on more responsibility and autonomy. The work tasks would then provide the followers with an increased level of accomplishment and satisfaction (Emery & Barker, 2007).

Empirical studies have shown that leadership behavior has an immense and steady influence on employees' job satisfaction (Griffin & Bateman, 1986; Steers & Rhodes, 1978). Maeroff (1988) has reported that job satisfaction is positively related to transformational leadership.

H₅: The transformational leadership style will have a positive impact on job satisfaction.

Commitment

Mowday, Porter, and Steers (1982) defined commitment utilizing three components: identification with the values and goals of the organization, willingness to exert effort on behalf of the organization, and commitment to stay in the organization. Organizational commitment is defined as "the relative strength of an individual's identification with and involvement in a particular organization" (p. 27). Bass (1998) and Yukl (2002) defined commitment differently. Yukl's definition refers to an internal agreement and enthusiasm when carrying out a request or a task. Bass, however, referred to loyalty and attachment to the organization when he discusses commitment.

Earlier research studies demonstrated that an individual's work experiences and organizational and personal factors serve as antecedents to organizational commitment (Allen & Meyer, 1990, 1996; Eby, Freeman, Rush, & Lance, 1999; Meyer & Allen, 1997). One key determinant of commitment is leadership (Mowday, Porter, & Steers, 1982). Transformational leaders engender their followers' commitment to the organization (Barling, Weber, & Kelloway, 1996), the organizational goals and values (Bass, 1998), and team commitment (Arnold, Barling, & Kelloway, 2001). Extensive research is available which indicates that transformational leadership is positively associated with organizational commitment in a variety of organizational settings and cultures (Bono & Judge, 2003; Dum Dum, Lowe, & Avolio, 2002; Koh, Steers, & Terborg, 1995; Lowe, & Kroeck, 1996; Walumbwa & Lawler, 2003). Previous research has found that transformational leadership has a large impact on organizational commitment (Dee, Henkin, & Singleton, 2004; Koh et al., 1995; Nguni, Slegers, & Denessen, 2006).

H₆: The transformational leadership style will have a positive impact on commitment.

Trust

Trust is a construct with multiple components and several dimensions which vary in nature and importance according to the context, relationship, tasks, situations, and people concerned (Hardy & McGrath, 1989). Although there is no universal definition of trust, a frequently used concept emphasizes interpersonal relationships and a "willingness to be vulnerable" (Mayer, Davis, & Schoorman, 1995) based on the belief that the leader is proficient, concerned, and dependable. Hence, when trust declines, a reversal occurs and people become hesitant to take risks, demanding greater defenses against the possibility of betrayal "and

increasingly insist on costly sanction mechanisms to defend their interests” (Kramer & Tyler, 1996, p. 4).

Some writers maintain that workplace trust is developed primarily through an organization’s leaders (Creed & Miles, 1996; Fairholm, 1994; Shaw, 1997). Literature concerning trust and management indicated that trust is an essential element in the relationship that transformational leaders have with their followers (Butler, Cantrell, & Flick, 1999; Gillespie & Mann, 2000; Podsakoff, MacKenzie, Moorman, & Fetter 1990; Podsakoff, MacKenzie, & Bommer, 1996; Simon, 1995). The degree of trust which exists in an organization can determine much of the organization’s character, influence organizational structure, control mechanisms, job satisfaction, job design, commitment, communication, and organizational citizenship behavior (Zeffane & Connell, 2003).

H₇: The transformational leadership style will have a positive impact on trust.

Self-efficacy Beliefs

Self-efficacy belief has been a focus of organizational research for nearly three decades (Bandura, 1986, 1997, 2000; Luthans, 2002a, 2002b). Self-efficacy represents an individual’s belief in his or her capabilities to successfully accomplish a specific task or set of tasks (Bandura, 1986). Gist and Mitchell (1992) defined self-efficacy as a belief in one’s capability to perform work activities with skill. Self-efficacy can also be described as the confidence which followers have in being successful and the value they attach to possible outcomes. Self-efficacy beliefs influence patterns of thoughts, emotions, and actions in which people spend considerable effort in pursuit of objectives, persevere in the face of adversity, and exercise some control over events that affect their lives (Bandura, 1986, 1993, 1997). Individual achievements require qualifications and skills and a personal belief in one’s ability to successfully perform a particular action (Bandura, 1986).

Self-efficacy can be increased through transformational leadership (Waldman & Spangler, 1989). An increase in confidence and valence of outcomes can produce a noticeable rise in followers’ efforts to succeed, thus making leadership the stimulus to effort beyond expectations (Bass, 1985; Tichy & Devanna, 1986).

Transformational leaders are able to raise the self-efficacy of followers by showing confidence in followers and helping them work through individual problems and developmental challenges (Bandura, 1977; Gist, 1987).

H₈: The transformational leadership style will have a positive impact on self-efficacy beliefs.

Motivation

Burns (1978) referred to motivation as one of three main domains of a follower’s development. He proposed that transformational leaders motivate followers in such a way that the followers’ primary motive is to satisfy self-actualization needs rather than the lower needs in Maslow’s (1954) need hierarchy. Bass (1985, 1998) further extended Burn’s theory and “suggested that transformational leaders expand their followers ‘need portfolios’ by raising them or Maslow’s hierarchy” (Dvir, Eden, Avolio, & Shamir, 2002, p. 736).

Bass (1985) also held that the follower's extra effort shows how much a leader motivates them to perform beyond contractual expectations. The emphasis placed on satisfying self-actualization needs reflects the type of need underlying followers' motivation and extra effort results from generating higher levels of motivation.

Conger and Kanungo (1988) maintained that there is a difference in the energy shown by followers of transformational and non-transformational leaders. House and Shamir (1993) built on this work and held that transformational leaders selectively arouse motivation of followers and that this motivation arousal has several important effects, including increased commitment to the vision and mission articulated by the leader. Yukl and Van Fleet (1982) found that transformational leadership is positively related to subordinate's perceptions of leader effectiveness and higher levels of motivation. Similarly, Hatter and Bass (1988) found that followers of transformational leaders report high satisfaction and motivation.

H₉: The transformational leadership style will have a positive impact on motivation.

Summary

Transformational leadership has a positive influence on personal outcomes (Nguni, Slegers, & Denessen, 2006). The literature (Bono & Judge, 2003; Butler, Cantrell, & Flick, 1999; Dumdum, Lowe, & Avolio, 2002; Gillespie and Mann, 2000; Griffin & Bateman, 1986; Hatter & Bass, 1988; Masi & Cooke, 2000; Steers & Rhodes, 1978; Waldman & Spangler, 1989; Yukl & Van Fleet, 1982) demonstrates that transformational leadership has a positive influence on empowerment, job satisfaction, commitment, trust, self-efficacy beliefs, and motivation. From a theoretical standpoint, this literature review reinforced the conceptual model of transformational leadership proposed by Bass (1985) and demonstrated that transformational leadership is significantly correlated with personal outcomes. From a research point of view, the literature review revealed a lack of literature related to transformational leadership and its impact on these personal outcomes in a church-work environment. Further research should be done to discover the processes by which transformational leaders apply their influence on followers (Bono & Judge; Kark, Shamir, & Chen, 2003; Lord, Brown & Feiberg, 1999; Yukl, 1998). This topic has not been adequately addressed in the literature. According to Bass (1999), there is a clear need for greater attention in this area to understand the mechanisms through which transformational leadership influences personal attitudes in order to develop a more complete understanding of the inner workings of transformational leadership. This research should determine what these processes and mechanisms are and how each one affects different outcomes. In practice, this literature review demonstrates that organizations can benefit greatly by providing transformational leadership which would enhance positive personal outcomes among followers. The enhanced positive personal outcomes would then have a positive effect on overall productivity and organizational performance.

Conclusion

Investigating the influence of transformational leadership on various organizational and personal (follower) outcomes can provide organizations and leaders with valuable insight related to organizational and employee behavior. Prior research has demonstrated that transformational leadership has a direct influence on organizational citizenship behavior/performance,

organizational culture, and organizational vision. Research studies have also shown that transformational leadership impacts certain characteristics related to the follower such as empowerment, commitment, self-efficacy beliefs, job satisfaction, trust, and motivation. Although the organizational and personal behaviors examined in this study have been shown to be heavily influenced by transformational leadership, this study does not provide an exhaustive discussion of all the ways these behaviors are influenced by transformational leadership.

Further empirical research related to these outcomes and transformational leadership may provide more insight into the development of theories related to leadership and organizational behavior. Empirical research has concluded that transformational leadership has a direct and an indirect impact on organizational citizenship behavior. Further research could investigate the direct connection between transformational leadership and the organizational citizenship behaviors of virtue, helping, sportsmanship, courtesy, and altruism. This research could investigate any possible mediators of transformational leadership and each individual behavior.

Empirical research has also shown that transformational leaders have organizations with strong cultures and are better than other leaders at providing activities which continue to build culture. Studies in various organizational types demonstrate that transformational leaders provide the leadership style which produces effective organizations. Further research could inquire and discover which attribute of the transformational leader has the positive effect on the organization culture or is it the leader's overall leadership style.

Prior research has concluded that there exists a positive relationship between transformational leaders and organizational vision. The transformational leader has inspired organizational employees to believe in new visions that have new opportunities. Further research in this area could investigate the ways in which transformational leaders positively affect the organizational vision and if there are any mediators between the leader and the vision.

Further research related to transformational leadership and the personal (follower) outcomes of empowerment, commitment, self-efficacy beliefs, job satisfaction, trust, and motivation may also provide further insight into leadership theory and practice. Past research showed that empowerment is viewed as an outcome of transformational leadership. It also showed that transformational leadership is connected to empowerment through self-efficacy. Further research in the area of empowerment could include a study investigating collective efficacy and empowerment with the level of analysis on a group level rather than an individual level.

Research studies have shown that leadership behavior has a massive and steady influence on employees' job satisfaction. Empirical studies have concluded that job satisfaction is positively related to transformational leadership. Further research in the area of job satisfaction could investigate the individual work tasks and an exploration of which ones foster greater levels of accomplishment and satisfaction.

Extensive research has indicated that transformational leadership is positively associated with organizational commitment in a variety of organizational settings and cultures. Further research in this area could investigate the effect of an individual's work experiences, organizational and personal factors on commitment.

Literature concerning trust and management has indicated that trust is an essential element in the relationship that transformational leaders have with their followers. Further research could investigate possible mediators between transformational leadership and trust.

Self-efficacy can be increased through transformational leadership. Transformational leadership style has been shown to have a positive impact on self-efficacy beliefs. Further

research could investigate self-efficacy as a possible mediator between transformational leadership and other attributes.

Transformational leadership is positively related to a subordinate's perceptions of leader effectiveness and higher levels of motivation. Studies have found that followers of transformational leaders report high satisfaction and motivation. Further research could include an investigation of the transformational leader's motivation of followers and the effects of this motivation which could include increased commitment to the vision and mission articulated by the leader.

The particular leadership style utilized by leaders in organizations has a profound impact on the organizational and personal outcomes of the follower. The findings from this study related to the influence of transformational leadership on organizational and personal (follower) outcomes showed positive outcomes for the organization and follower. Further research and analysis of findings related to transformational leadership and the organizational and personal outcomes investigated in this study may assist organizations in selecting leaders who have leadership qualities which would be an asset to the future growth and development of the organization as well as the future growth and development of the followers.

About the Author

Roger Givens has almost 10 years of experience serving in ministry within the local church. He has served as senior pastor of Shekinah Ministries International for the past 3 years. He is the founder and director of Jethro's House Ministries, Inc., a mentoring and training ministry for pastors. Before founding Shekinah Ministries International, Givens faithfully served in various ministries across the U.S. as an assistant pastor, staff evangelist, training director for Christian educators, and director of security. His interest is in understanding transformational leadership, socialization, and psychological empowerment with emphasis on the relationship between leader and follower in the 21st century African American church.

E-mail: rogegiv@regent.edu

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1. Transformational leaders can develop negative outcomes. Transformational leadership does provide many positive outcome opportunities. Each positive opportunity offers a negative outcome potential as well. As they like to say in the Star Wars universe, there is a "dark side" which must be avoided by transformational leaders. Adolf Hitler may be the most extreme example of a negative transformational leader. Transformational leaders use their charismatic approach to serve as a role model for their followers and their organization. They use this energy to show people how to achieve goals or accomplish tasks. There are certain risks that are generally accepted by those using this leadership style to find innovation or create change. Due to its impact on personal and organizational outcomes, transformational leadership is needed in all organizations (Tucker & Russell, 2004). According to Aarons (2006), "Leadership is associated with organizational and staff performance" (p. 1163). Personal and organizational behavior related to leadership demands a more candid look at the leadership styles which may have a positive or negative impact on these two variables. Transformational leadership theory will provide the theoretical framework for examining the organizational and personal outcomes. The literature review will provide information regarding the importance of the transformational leadership theory to research and practice and for responding to the following research questions 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 leadership is when leader behaviors influence followers and inspire them to perform beyond their perceived capabilities. Transformational leadership inspires people to achieve unexpected... Home » Change Management » What Is the Impact of Transformational Leadership on Organizational Performance? What Is the Impact of Transformational Leadership on Organizational Performance? Posted by Christopher Smith on December 30, 2019 March 22, 2021 Posted in Change Management. 5 / 5 (1 vote). The impact of transformational leadership on organizational performance should not be underestimated. In fact, a company's performance can depend almost entirely on its leadership. In this article, we'll explore the impact that transformational leaders can have on their organization. Table of Contents hide. The Impact of Transformational Leadership on Organizational Performance. How to Transform Leadership in the Workplace. Takeaways and Lessons.