THE PSYCHOLOGICAL MECHANISMS OF TRANSFORMATIONAL LEADERSHIP TO FOLLOWERS’ PERFORMANCE

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ABSTRACT

This paper presents a theoretical framework of the psychological mechanisms of transformational leadership to followers’ performance in multi-level analysis. This research study generates propositions on the nature of the relationships between transformational leadership is associated with followers’ task performance and organizational citizenship behavior (OCB) by three theoretical perspectives namely the motivational perspective, the social exchange perspective, and the social identity perspective. The effects of transformational leadership on followers’ work-related outcomes are mediated by intermediate variables such as self-efficacy, perceived supervisory support (PSS), and dependence. Implications for the theory and practice of transformational leadership are discussed.

(Keywords: Transformational leadership, psychological mechanisms, followers’ performance)
INTRODUCTION

Accumulating evidence has been reported that transformational leadership substantially influences employee motivation and performance (Barling, Weber & Kelloway, 1996; Dvir, Eden, Avolio & Shamir, 2002). Transformational leadership is positively associated with employee work attitudes and behaviors at individual, group, and organizational levels of analysis (Dumdum, Lowe & Avolio, 2002; Lowe, Kroeck & Sivasubramaniam, 1996). As more recent literature has demonstrated on the mechanisms and processes between transformational leadership and employee work-related outcomes (Wang, Law, Hackett, Wang & Chen, 2005; Avolio, Zhu, Koh & Bhatia, 2004; Bono & Judge, 2003; Kark & Shamir, 2002), for example, the mediating effect of psychological empowerment (Dvir et al. 2002; Kark & Shamir, 2002; Avolio et al., 2004), dependence (Kark & Shamir, 2002), trust (Jung & Avolio, 2000) and the moderating effect of structural distance (Avolio, et al., 2004), the effects of transformational leadership on followers’ performance in organizational settings remain under-developed. The effect of transformational leadership on followers’ performance has not yet been received systematic and comprehensive empirical attention. Therefore, drawing from motivational theory, social exchange theory, and social identity theory, a theoretical model depicting the psychological mechanisms of transformational leadership to followers’ performance is developed. In addition, we contribute to the literature by taking multi-level of analysis into consideration when developing the model, as the levels of analysis issues are relatively new to the leadership field (Dansereau, Yammarino & Kohles, 1999; Yammarino, Dionne, Chun & Dansereau, 2005).

TRANSFORMATIONAL LEADERSHIP THEORY

Transformational leadership is articulating a compelling vision of the future of an organization, offering a model consistent with that vision, fostering the acceptance of group goals, and providing individualized support, intellectual stimulation, and high performance expectations
(Bass, 1985; Burn, 1978). Bass (1985) theorized that transformational leadership behaviors comprise four components includes idealized influence, inspirational motivation, individualized consideration, and intellectual stimulation. Idealized influence includes behaviors such as sacrificing for the benefit of the group, setting a personal example, and demonstrating high ethical standards. Inspirational motivation includes the creation and presentation of an attractive vision of the future, the use of symbols and emotional arguments, and the demonstration of optimism and enthusiasm. Individualized consideration includes providing support, encouragement, and coaching to followers. Intellectual stimulation, involves behaviors that increase awareness of problems and challenge followers to view problems from new perspectives.

In the two meta-analyses of Patterson, Fuller, Kester, and Stringer (1995) and, Lowe, Kroeck, and Sivasubramaniam (1996) studies’, both studies confirmed the positive relationship between transformational leadership and individual performance. DeGroot, Kiker, and Cross (2000) further completed a third meta-analysis of the transformational leadership literature, reconfirming the positive relationship between ratings of transformational leadership and individual performance. These findings have been explained as showing that leadership styles cause basic values, beliefs, and attitudes of followers to align with not only individual-level performance, but also group and organizational collective interests (Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Transformational leadership has consistently reported positive relationship to individual, group, and organizational level of performance outcomes. The findings have been shown that leader behaviors cause basic values, beliefs, and attitudes of followers to align with organizational collective interests. Howell and Hall-Merenda (1999) contended that a relationship of some sort between leader and follower is assumed, the discussions on the mediating mechanisms of transformational leadership and followers’ performance are getting popular (Wang, et al., 2005; Avolio et al., 2004; Bono & Judge, 2003).
The lines of theory and theoretical basis have emerged in an attempt to improve the ability to understand transformational leadership (Dumdum, Lowe, & Avolio, 2002; Lowe, et al., 1996). Transformational leadership has a strong positive effect on employees’ satisfaction, self-reported effort, and job performance (Bryman, 1992; Conger & Kanungo, 1988; Judge & Piccolo, 2004; Dvir et al., 2002; DeGroot et al., 2000). OCBs are extra-role behaviors in which Organ (1988) defined as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (p.4). Although more substantial work has been conducted in understanding the mechanisms of transformational leadership process (Wang et al, 2005), relatively less attention has be devoted the potential alternative mechanisms. This paper proposes that transformational leadership is transmitted to followers’ performance by the motivational perspective, the social exchange perspective, and the social identity perspective. Figure 1 demonstrates the psychological mechanisms of transformational leadership to followers’ performance.

Effect of Motivational Perspective

Motivation theory explains that the primary motive of leaders to followers is to satisfy self-actualization needs rather than the lower needs hierarchy (Burn, 1978; Bass, 1985). It has been used to probe the psychological mechanism by which transformational leadership
contributes to followers’ performance by giving directions, highlighting the importance of performing tasks, and providing opportunities to learn from shared experience for effective performance (Amabile, 1988; Oldham & Cummings, 1996). Piccolo and Colquitt (2006) proposed Deci’s (1975) intrinsic motivation terminology as the most common motivation perspective in leadership field. Intrinsically motivated followers tend to be cognitively flexible and persevering, and are more likely to exhibit a high level of efficacy to solve problems or complete job tasks.

Self-efficacy is a motivational variable which has been shown to influence an individual’s choice of activities, goal levels, persistence, and performance in a range of contexts (Settoon, Bennett, & Liden, 1996; Yukl, 1994). Bandura (1997) defined self-efficacy as “belief in one’s capabilities to organize and execute the courses of action required to produce a given achievements” (p.3). When individuals have a strong sense of perceived self-efficacy, they put forth a greater effort to accomplish a task despite the obstacles they encounter than to those who have a weak sense of self-efficacy. The followers’ self-efficacy is strengthened when transformational leaders express confidence in their abilities and celebrate their accomplishments in which a positive association between transformational leadership and followers’ task performance has received considerable empirical support (Lowe, et al., 1996).

Shamir, House, and Arthur (1993) offered a self-concept based motivational approach to explain the process by which transformational leadership behaviors cause profound effects on follower performance. A recent study has demonstrated the importance of self-efficacy on an individual’s intrinsic motivation to perform and act in pursuit of goals (Brown, Jones & Leigh, 2005). Bass and Avolio (1990) stated that transformational leaders motivate followers’ capability to think on their own, develop new ideas, and questions outmoded operating rules. Redmond, Mumford and Teach (1993) found that transformational leaders including task direction and goal
setting positively influenced self-efficacy expectations. Transformational leaders have highly
developed a set of moral values and a self-determined sense of identity (Avolio & Gibbons, 1998). Self-efficacy indicated a strong and consistent mediating link between its antecedents and subsequent performance outcomes, for instance, Kark, Shamir and Chen (2003) found that self-efficacy has been shown to mediate the relationship between transformational leadership and followers’ task performance as well as OCB. Self-efficacy acts as a task-specific mechanism through which transformational leadership is positively associated with followers’ task performance and OCB.

Proposition 1: The effect of transformational leadership on followers’ task performance and OCB will operate primarily through the motivational mechanism, and so will be mediated by self-efficacy.

Effect of Social Exchange Perspective

Blau’s (1964) social exchange theory defined as “an individual is attracted to another if he expects associating with him to be in some way rewarding for himself, and his interest in the expected social rewards draws him to other” (p.20). This theory described how social interactions are driven by the benefits received from exchange of two parties. When a party gives favor to another, they do trusting that the other party will reciprocate on their favor in future. The basic premise underlying an exchange involves a person providing a service to another, obligating the other to return the service when the occasion arises. A failure to return a service received in an exchange suggests that the recipient is ungrateful, and should not to be trusted to reciprocate in future exchanges.

Many studies suggested that a variety of leadership behaviors are related to followers’ task performance and OCB, which social exchange theory dominate the mediating effect of
leadership process (e.g. Wayne, Shore, Bommer, & Tetrick, 2002). High-quality social exchanges are characterized by high levels of mutual trust, respect, and loyalty in leader. The obligations that followers incur are generally diffuse and are valued as symbols of mutual loyalty, goodwill and broad support. Borrowed the concept from perceived organization support (POS), Eisenberger, Huntington, Hutchinson and Sowa (1986) argued that the beliefs underline employees’ inferences concerning their organizations’ commitment to them, which in turn contribute to the employees’ commitment to their organizations. Kotte and Sharafinski (1988) defined perceived supervisory support (PSS), a construct which has been given more attention in leadership literature (Rhoades & Eisenberger, 2002), as the degree to which supervisors value their contributions and care about their well-being.

According to social exchange theory, transformational leaders convince followers to transcend their own self-interest for the good of the organization and arouse the strength of the followers’ needs. Followers’ PSS has been considered as an important mediate variable as followers seek a balance in leader-follower exchange relationships by having attitudes and behaviors commensurate with the degree of leaders’ commitment. Transformational leadership is associated with followers’ performance as they affect on general perception that leader values their followers and this perception of support may prompt their follower to reciprocate with increase on their performance. Thus, followers with high-levels of PSS who feel that they have been well supported by their leaders tend to reciprocate by performing better and engaging more readily in citizenship behavior.

Proposition 2: The effect of transformational leadership on followers’ task performance and OCB will operate primarily through the social exchange mechanism, and so will be mediated by PSS.
Effect of Social Identity Perspective

Social identity theory is a desire to maintain a positive sense of identity which drives followers’ cognitions, emotions and behaviors (Tajfel & Turner, 1979; Turner & Associates, 1987). Social identity perspective is based upon a fundamental distinction between inter-personal and group processes which suggest that followers classify themselves into social categories, such as the leader followers belong to. Katz and Kahn (1966) proposed that followers engage in behaviors that contribute to establish and maintain a desired self-image towards leaders. Howell (1988) further indicated that a leader is likely to lead to dependence, submissive loyalty, conformity and even blind obedience of the followers. Dependence stems in large part from followers who have a strong identification with leaders, which defined as the quality or state of being influenced or determined by or subject to another. Dependence is an important determinant of the impact of leadership behaviors to followers’ task performance (Kark, Shamir & Chen, 2003).

Transformational leadership influences followers who perceive their leader as extraordinary and exceptional and become dependent on the leader for guidance and inspiration (Yukl, 1998). Social identity theory explained that the transformational relationship as a regression to early childhood relationships with parent, imply that transformational leadership results followers in increased dependence on leader (Kets de Vries, 1988). Transformational leaders are particularly effective in eliciting social identity from their followers and getting them to accept offers of expanded role responsibilities. Followers with strong personal identification with their leaders enhance their sense of self-worth by internalizing their leaders' values and beliefs and by behaving in accordance with them. Kark, Shamir and Chen (2003) stated the mediating effect of personal identification between transformational leadership and dependence. Thus, dependence mediates the influence of transformational leadership on followers’ task performance and OCB.
Proposition 3: The effect of transformational leadership on followers’ task performance and OCB will operate primarily through the social identity mechanism, and so will be mediated by dependence.

Based on the line of arguments from the three-theoretical perspectives, the psychological mechanisms of transformational leadership and followers’ task performance and OCB are transmitted by the motivational perspective, the social exchange perspective, and the social identity perspective. Comparatively, yet we are unsure which theoretical perspective operate the most significant effect on transformational leadership to followers’ performance. Thus, this paper proposes to test the most significant mechanism between transformational leadership to followers’ task performance and OCB among the three theoretical perspectives.

Proposition 4: The most significant effect of transformational leadership on followers’ task performance and OCB is (a) the motivational mechanism, and so will be mediated by self-efficacy, (b) the social exchange mechanism, and so will be mediated by PSS, and (c) the social identity mechanism, and so will be mediated by dependence, than the other two mechanisms.

DISCUSSIONS AND CONCLUSION

The primary purpose of this paper is to examine the psychological mechanisms of transformational leadership to followers’ performance. The central contribution is to propose a multi-level leadership model examining how transformational leadership are transmitted to followers’ task performance and OCB. We integrated the motivational approach, the social exchange approach and the social identity approach in the theoretical model. This paper provides valuable insights into the effects of transformational leadership, which enriches the understanding of leadership process. On the ideas for future directions and extending theory, this paper lays a
foundation for future inquiry by identifying the mediating effects and specifying their major underlying mechanisms of transformational leadership in several important ways.

First and most notably, the concept of mediating roles between transformational leadership and followers’ performance might advance social exchange theory (Blau, 1964). Social exchange theorists commonly call for mechanism as the theoretical foundation of research on justice (Cropazano et al., 2001), perceived organizational support (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002). Although social exchange theory as the mechanism (Graen & Scandura, 1987; Settoon, Bennett, & Liden, 1996; Wayne, Shore, Bommer & Tetrick, 2002) in leadership process is confirmed, there are other potential theoretical perspectives, i.e. the motivational perspective and the social identity perspective as proposed in this study, which may be sensible in the effects of transformational leadership. This study contributes in the leadership literature that becomes easier to understand how transformational leadership influence followers’ task performance and OCB. There are significant implications for understanding of the mechanisms from transformational leadership offers important prescriptions for training and development field.

Second, despite the wide variety of variables that have been investigated in recent leadership literature, the mediating effects have progressed little beyond its research potential. On the plus side, interest in mediating effects as inspired considerable investigation of the leadership researchers to different relationship between transformational leadership and followers’ performance. The future direction remains to figure out which mechanisms constitute an influence on different leadership behaviors. For example, paternalistic leadership in Chinese society, which includes the dimension behaviors of authoritarianism, benevolence and morality, is an instrumental factor in affecting followers’ task performance and OCB. It is interested for future researchers to examine the consequences of different leadership behaviors with the
mediating effects on the individual-level outcomes of followers’ performance, where some leadership of a group have extremely high effects while others have much less as predicted.

Finally, the value of transformational leadership extends beyond its direct effects to followers’ performance and attitudes the leader directly supervises, but also indirect effects with psychological mechanisms to followers’ performance. The concept of transformational leadership to followers’ performance is potentially important for enhancing the understanding of a wide array of group setting and organizational phenomena. This is particularly important in viewing the mediating effects as a fruitful arena for discourse and collaboration between scholars who emphasize individual-level of analysis (those in organizational behavior and psychology) and researchers whose interests are in overall group and organizational-level of analysis (organizational and strategy theorists). As different processes can vary widely between groups and from leader to followers, it is important to pinpoint in leadership theory as the outcome variables vary among individual, group, and organization level.

To conclude, this study examines the psychological mechanisms of transformational leadership to followers’ task performance and OCB in multi-level analysis with a preliminary map on how different effects are transmitted in leadership process. Practice has taken the lead of leaders and enthusiastically embraced the need for organizations to understand the followers’ thought. Theory has yet to enlighten the work of managerial practitioners with a more instrumental and comprehensive view of transformational leadership process.
FIGURE 1

Psychological Mechanisms of Transformational Leadership to Followers’ Performance

Level 2
Group Level

Transformational Leadership

Level 1
Individual Level

Motivational Perspective:
Self-Efficacy

Social Exchange Perspective:
Perceived Supervisory Support (PSS)

Social Identity Perspective:
Dependence

Followers’ Performance:
Task Performance
Organizational Citizenship Behavior (OCB)
REFERENCES


