

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/312296452>

THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP CHARACTERISTICS AND EFFECTIVENESS: A CASE STUDY OF CONSTRUCTION COMPANIES IN ERBIL

Article · February 2016

CITATIONS
57

READS
1,398

2 authors:



Kofand Anwar

77 PUBLICATIONS 1,181 CITATIONS

[SEE PROFILE](#)



Hasret Balcioglu

YODAK

51 PUBLICATIONS 205 CITATIONS

[SEE PROFILE](#)

Some of the authors of this publication are also working on these related projects:



Social Welfare: Collection of bibliographic references and the win-win-win papakonstantinidis model [View project](#)



Economics of Variable Renewable Sources for Electric Power Production - a new textbook [View project](#)

THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP CHARACTERISTICS AND EFFECTIVENESS: A CASE STUDY OF CONSTRUCTION COMPANIES IN ERBIL

Kofand Anwar¹, Hasret Balcioglu²

¹Department of Business Administration, Ishik University

²Department of Business Administration, Cyprus International University

ABSTRACT

The conception of leadership has become progressively more sophisticated and complex over the past decades. An extensive assortment of factors has been found to influence organizational effectiveness. The leadership style has been determined as being one of the most important factors influencing organizational effectiveness. The main purpose of this research is to investigate the relationship between transformational leadership's characteristics and effectiveness. The study was carried out in top five construction companies according to Erbil chamber of commerce and industry with 71 participants in Erbil. The researchers used empirical quantitative method for analyzing the current study. The results revealed that the highest value was for idealized influence characteristic = .737 > 0.01, which means there is a strong positive correlation between idealized influence and effectiveness.

Keywords: Erbil, Effectiveness, Transformational Leadership

I. INTRODUCTION

Increasing competition in construction industry verses high demand from users, little resources and knowledge, service providers are striving to enhance the effectiveness in their fields (Samson and Lema, 2005). Every manager's role that should be filled in the organization is leadership. Managers usually have a wrong assumption that they are not only managing meanwhile they are leading effectively a group of people towards organizational goal or set of goals. But in real life, the manager's position considers just a title, not leadership. In order to be an effective leader in the workplace, the manager should have the ability to affect subordinates effectively and positively in order to attain individual and organizational goals. Moreover, the transformational leadership style could assist in order to become excellent leaders. Transformational leadership describes as perspective of leadership that produces positive changes in social scheme. It improves morale, motivation and performance of followers. This study explains the transformational leadership style by debating four characteristics of transformational leadership and its relationship with effectiveness.

II. THEORETICAL BACKGROUND

2.1 Literature Review

According to (Hurduzeu, 2015), transformational leaders transfer organizational culture by motivating and inspiring a wisdom of aim and mission concerning the significant of the individual's effort and stimulating new directions of solving problem and thinking. Transformational leaders inspire the followers within the organization in order accomplish high organizational outcome and higher job satisfaction. According to (Mahdinezhad, et al., 2013) the transformational leaders enhance the followers' effectiveness. According to (Balyer, 2012), transformational leadership is the talent and capability to get followers to desire and accept the change, enhanced, and transformation to higher job satisfaction and organizational outcome. It comprises evaluating and assessing associates' inspires, valuing followers and satisfying their needs. According to (Hoxha, 2015), earlier scholars demonstrate that effective transformational leaders are main contributors and have positive influence on organizational effectiveness. Effective transformational leadership inspires the precise individuals' behaviors and attitudes among workers to improve organizational outcome and to increase level of job satisfaction. According to (Bass, 1999), transformational leaders inspire and motivate employees in order to put more effort and to do more than the organization requires; they are proactive and assist employees to achieve unforeseen objectives. He identifies four key characteristics of transformational leadership (as seen in figure 2) as stated by (Sadeghi & Pihie, 2012):

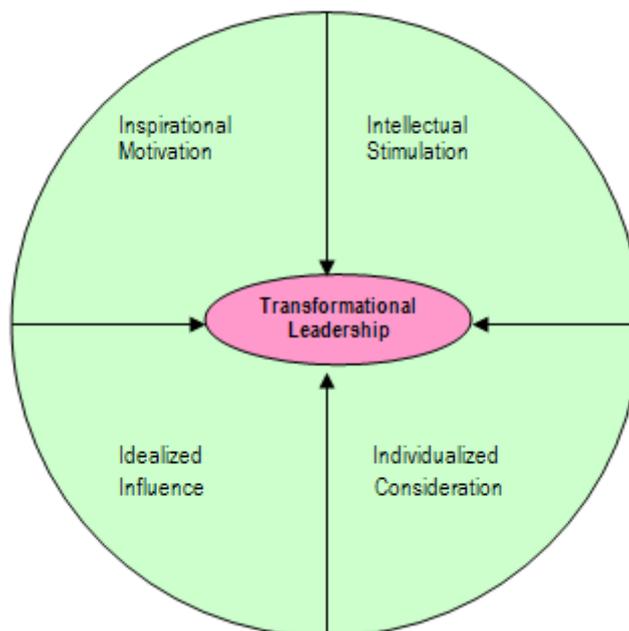


Figure 1- Characteristics of transformational leadership, (Bass, 1999)

Idealized Influence: Idealized influence character states that the leaders who play as model for their followers. Leaders are willing to take risks and have a sense of aim and clear vision. Leaders are models and lead their followers by examples. In this dimension, leaders use their maximum ethical principles and moral towards followers rather than applying their authority and their power in order to lead their followers. Idealized influence is where leader becomes epitome to followers who has ethics and acquires trust and respect from followers.

Inspirational Motivation: this character states that leaders prove sense to various challenges within the organization. These kinds of leaders visibly and effectively share expectations and they exhibit and encourage

their followers to reach the highest level of commitment to vision and organizational objective. Transformational leaders act in ways that inspire followers, create interest, challenge followers, and encourage individuals by giving meaning to individuals' efforts. These leaders highlight clarifying the significance of their outcome and role to followers in the workplace. Inspirational motivation is where leader inspires followers by showing vision and optimistic in nature.

Intellectual Stimulation: this character of leader inspires individuals by demonstrating them with a variety of problem solving abilities. These kinds of Leaders are able to bring new concept and ideas for problem solving and doing things. Leaders with intellectual stimulation character makes individuals to be conscious of their abilities and intellect that they have in challenging and problem solving in the organization. Followers have to be motivated to illustrate their visions, opinions and views towards the workplace and be qualified to view at matters in various ways, thinking before making or taking any decisions. Intellectual stimulation is where leader accepts risks, stimulates assumptions.

Individualized Consideration: this leaders' character refers to a state and circumstance when leaders have an association with each follower, giving extraordinary attention and care to followers in workplace. These kinds of leaders are giving attention and care to the followers' needs and the possible for developing others. These leaders create a sympathetic organizational environment where follower differences are valued. Individualized consideration is where leader becomes mentor and tries to fulfill needs of the followers.

III. CONCEPTUAL FRAMEWORK

3.1 Research Model

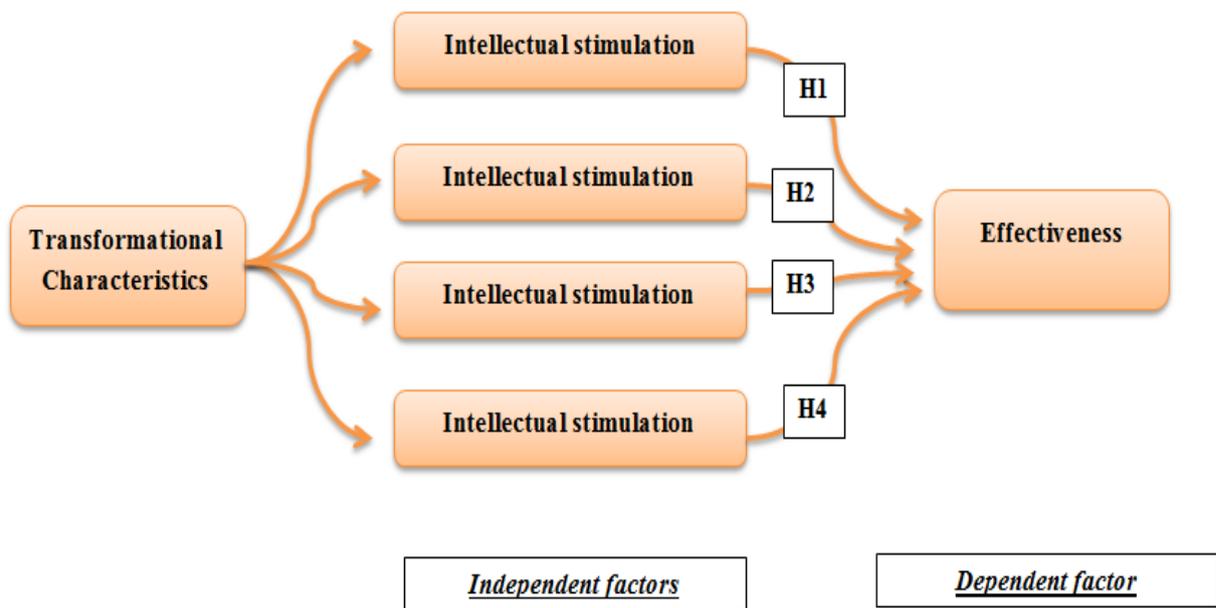


Figure 2-Research Model, created by the researcher 2016

3.2 Research Hypotheses

According to the research model, the following research hypotheses have been developed:

H1: There is a positive relationship between leader's intellectual stimulation and effectiveness.

H2: There is a positive relationship between leaders' individualized consideration and effectiveness.

H3: There is a positive relationship between leader's idealized influence and effectiveness.

H4: There is a positive relationship between leader's inspirational motivation and effectiveness.

IV. RESEARCH METHODOLOGY

4.1 Design of the Study

The aim of this study is to examine the relationship between transformational leadership characteristics and effectiveness. An empirical quantitative method used to analyze the current study. The questionnaire adapted from (Sadeghi and Pihie, 2012) and (Gill, et al., 2011), it is divided into two sections, the first section consists of demographic questions; starting with respondent's age and respondents' gender. The second part of questionnaire consists of 48 questions, 10 questions are related to intellectual stimulation characteristic, 10 questions are based on individualized consideration characteristic, 9 questions are related to idealized influence characteristic, 9 questions relay on intellectual stimulation characteristic, inspirational motivation and 10 questions are related to effectiveness.

4.2 Sampling Size and Target Population

A random sampling method is used, where all participants had equal chances of being selected for the sample. The study was carried out at top 5 construction companies in Erbil according to Erbil chamber of commerce and industry. The population of this study was approximately 420 employees, therefore in order to cover the entire research population; 90 questionnaires were distributed in order to cover the entire population and 71 questionnaires were received that were completed properly.

V. RESULTS AND ANALYSIS

Table 1-Demographic Analysis

Items	Scales	Frequency	Percent
Age	20-29	15	21.1
	30-39	34	47.9
	40-49	18	25.4
	50+	4	5.6
Gender	Male	59	83.1
	Female	12	16.9

Table 1 shows demographic analysis in this way: 21.1% of participants are from 20-29 years old, 47.9% of participants are from 30-39 years old, 25.4% of participants are from 40-49 years old and 5.6% of participants are from 50 years old and above. 83.1% from all participants are male where 16.9% are female.

Table 2-Reliability Statistics

Cronbach's Alpha	N of Items
.822	48

Table 2 shows the reliability tests for four independent variables (intellectual stimulation, inspirational motivation, idealized influence and individualized consideration) and effectiveness as dependent variable. Based on the reliability tests, Cronbach's Alpha for 48 items is found as .822 which is greater than 0.6 meaning that 48 items are reliable for this study.

Table 3-Correlations analysis

Correlations					
Factors	Pearson Correlation	Intellectual stimulation	Individualized consideration	Idealized influence	Inspirational motivation
effectiveness	Pearson Correlation	.746**	.734**	.929**	.422**
	Sig.(2-tailed)	.000	.000	.000	.000
	N	71	71	71	71

Table 3 shows the correlation between independent variables (intellectual stimulation, inspirational motivation, idealized influence and individualized consideration) and effectiveness as dependent variable. The value of R for between intellectual stimulation and effectiveness =.746** which indicates that intellectual stimulation is significantly correlated with effectiveness, the value of R for between individualized consideration and effectiveness =.734** which indicates that individualized consideration is significantly correlated with effectiveness, the value of R for between idealized influence and effectiveness =.929** which shows that idealized influence is significantly correlated with effectiveness and the value of R for between inspirational motivation and effectiveness =.422** which points out that inspirational motivation is weakly correlated with effectiveness.

Table 4-Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.946 ^a	.895	.889	.10374
a. Predictors: (Constant), inspirational, idealized, individualized, intellectual				

As shown in the Table 4, the value of R square = .895 which indicates that 89% of variables have been explained.

Table 5-ANOVA^a

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.047	4	1.512	140.463	.000 ^b
	Residual	.710	66	.011		
	Total	6.757	70			
a. Dependent Variable: effectiveness						
b. Predictors: (Constant), inspirational, idealized, individualized, intellectual						

Table 5 shows the value of F for four independent variables and a dependent variable is 140.463 >1 which indicates there is a significant relationships between four independent variables and dependent variable.

Table 6-Coefficients^a

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.167	.191		.875	.385
	intellectual	.083	.106	.069	.778	.439
	individualized	.400	.090	.366	4.455	.000
	idealized	.737	.085	.727	8.687	.000
	inspirational	-.267	.090	-.237	-2.962	.004
a. Dependent Variable: effectiveness						

Table 6 shows the coefficients analysis for this research. As seen in the above table the value of Beta for intellectual stimulation characteristic = .083 > 0.01, which means there is a weak positive relation between intellectual stimulation and effectiveness, the value Beta for individualized consideration characteristic = .400 > 0.01, which means there is a weak positive relation between individualized consideration and effectiveness, the value Beta for idealized influence characteristic = .737 > 0.01, which means there is a strong positive correlation between idealized influence and effectiveness and the value Beta for inspirational motivation characteristic = -.267 > 0.01, which means there is no relation between inspirational motivation and effectiveness.

VI. CONCLUSIONS AND IMPLICATIONS FOR FUTURE STUDY

The multiple regression analysis is used to analyze the current study. The authors find out that the highest value among all transformational leaders’ characteristics is idealized influence. In terms of the first characteristics, the results reveal that the value Beta for intellectual stimulation characteristic is .083 which is greater than 0.01, which means there is a weak positive relation between intellectual stimulation and effectiveness, therefore; the first research hypothesis is weakly supported, the value Beta for individualized consideration characteristic = .400 > 0.01, which means there is a weak positive relation between individualized consideration and

effectiveness, therefore; the second research hypothesis is weakly supported, the value Beta for idealized influence characteristic = $.737 > 0.01$, which means there is a strong positive relation between idealized influence and effectiveness, accordingly the third research hypothesis is supported, the value Beta for inspirational motivation characteristic = $-.267 > 0.01$, which means there is no relation between inspirational motivation and effectiveness, therefore the fourth research hypothesis is weakly supported. In conclusion, the outcomes of this study empirically contribute to the transformational leadership style by identifying the extent to which leadership styles affected construction companies' effectiveness. This research can be replicated comprising larger sample size which covers the entire construction companies in Erbil.

REFERENCES

- [1]. Balyer, A. (2012), "Transformational Leadership Behaviors of School Principals: A Qualitative Research Based on Teachers' Perceptions", *International Online Journal of Educational Sciences*, 4 (3), 581-591
- [2]. Bass & Bass (2008), *The Bass Handbook of Leadership: Theory, Research, and Managerial Applications*" 4th edition Free Press)
- [3]. Bass, B. (1998), *Transformational leadership: industry, military, and educational impact*, Mahwah, NJ: Erlbaum Associates.
- [4]. Chan, P. C., Chan, W. M., and Ho, S. K. (2003), "An empirical study of the benefits of construction partnering in Hong Kong", *Constr. Manage. Econ.*, 21(5), 523–533
- [5]. Gill, A., Mand, H., Culpepper, A., Mathur, N., and Bhutani, s. (2011). *The Relations of Transformational Leadership and Empowerment with Student Perceived Academic Performance: A Study among Indian Commerce Students*. *Business and Economics Journal*, Volume 2011: BEJ-34, pp.1-9
- [6]. Guhathakurta S. and Yates J. (1993), "International Labour Productivity", *Journal of Cost Engineering*, 35(1), 15-25
- [7]. Hoxha, A. (2015), "Empowerment and Trust as Mediators of the Relationship between Transformational Leadership and Organizational Effectiveness", *European Journal of Economic and Political Studies*, 8, 43-60
- [8]. Hurduzeu, R. (2015), "The Impact of Leadership on Organizational Performance", *SEA –Practical Application of Science*, 3 (1), 289-294
- [9]. Iyer, K. C.; Jha, K. N. (2005), "Factors affecting cost performance: evidence from Indian construction projects", *International Journal of Project Management*, 23: 283–295
- [10]. Mahdinezhad, M.M., Suandi, T.B., Silong, A.B. & Omar, Z.B. (2013), "Transformational, Transactional Leadership Styles and Job Performance of Academic Leaders", *Canadian Center of Science and Education, International Education Studies*, 6(11), 29-34
- [11]. McCleskey, A.J. (2014), "Situational, Transformational, and Transactional Leadership and Leadership Development", *Journal of Business Studies Quarterly*, 5(4), 117-130
- [12]. Sadeghi, A. & Pihie, Z.A. (2012), "Transformational Leadership and Its Predictive Effects on Leadership Effectiveness", *International Journal of Business and Social Science*, 3(7), 186-197