

# The Effect of Transformational Leadership in Achieving High Performance Workforce That Exceeds Organisational Expectation: A Study from a Global and Islamic Perspective

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## **Abstract**

Over the last decade and a half, the study on transformational leadership in any organizational settings has gone through a significant evolution in terms of theory development as well as empirical investigations. Many researchers have now embarked on the study, both from the global perspective and from the Islamic perspective. Islam is the concept of leadership is interrelated to trust (amanah) which signifies a psychological contract between a leader and his followers whereby the leader will do his best to guide, protect and treat them fairly and with justice. As a result, our knowledge about this leadership style has deepened, and there are several dominant theories that are now established paradigms in the leadership field. Despite the development there is numerous magnitudes of these leadership forms that we still don't know very much. Hence, it is only proper that we examine where we need to go into the future. Leaders play the primary role in establishing and motivating employees' performance, but little research has examined the specific processes which stimulate the effect of transformational leadership resulting high-performance workforce exceeding organizational expectation. This study will seek the answer based on the global as well as the Islamic perspective.

**Keywords:** Transformational leadership, High performance work force, Organizational expectation

## **INTRODUCTION**

The study of transformational leadership from Islamic perspective is to review the roles played by Muslim leaders'. The significance that underlies this study is to offer basic description and knowledge in finding the attributes and values Muslim leaders demonstrated as transformational leaders in which leaders guide their followers to the Right Path and discharged their duties in exemplary manner. The literature suggests that transformational leadership from the Islamic perspective partly resembles followers or modeling from the leadership style of the Prophet Muhammad (PBUH) as their role model. Followers' leaders are transformational leaders who suffice by following what Prophet

Muhammad does. They build collaboration among their peers and subordinates and constantly promote interaction.

The study refers to some details which are based upon the behavioral example of past Muslim leaders. It is from this point that the Muslim community and leaders in history has taken these details from the Prophets behavior as the best model and example of how moral values, ethical principles and communicative behavior in keeping with the teachings and ethos of Islam can be incorporated into leadership portfolio.

## **BACKGROUND**

Transformational leadership has been defined as leader behaviors that transform and inspire followers to perform beyond expectations while transcending self-interest for the good of the establishment that they are being employed by (Avolio *et al.*, 2009). The concept has become one of the most exceptional theories of organizational behavior simply because organizations need leaders of excellence to steer the company's objectives and goals. Creating high-performance workforce has become increasingly vital and to do so business leaders must be able to motivate organizational members to go beyond their task requirements. An important characteristic of leadership is using human talents to develop them to perform, faith and uprightness in employees and the organization (Daft, 2005). Many new notions of leadership have surface - transformational leadership being one of them.

Research has not only authenticated the existence of transformational leadership but also has consistently linked the practice of these transformational leadership behaviors with employee performance and satisfaction (Bass and Riggio, 2006). Transformational leaders guide the way by stimulating intellectual curiosity and stimulating achievement. Additionally, transformational leaders empower team members to develop their own leadership skills by paying attention to individual needs and development. As Bass and Riggio (2010) point out, research shows that transformational leadership is an effective model for a broad range of fields and cultures.

Transformational leadership influences behaviors associated with leadership effectiveness in driving change and transform organization to success. It is the fundamental attitudes that leaders in organizations create which is a common mentality to achieve organizational goals and satisfy stakeholders. The goals of the organizations are expressed in profits, growth in the market, or innovation is met through a combination of resources that are organized and mobilized by leaders.

## **TRANSFORMATIONAL LEADERSHIP**

Business leaders must be able to motivate organizational members to go beyond their task requirements. Transformational leaders who are visionary, inspiring, daring and thoughtful thinkers can be found at all levels of the organization. They may be in teams, departments, divisions, and organization as a whole with charismatic appeal. But there's so much more needed for a leader to make changes in the way an organization operates. According to Bass and Riggio (2006), transformational leaders must exhibit the four factors commonly known as the "four Is" to bring major changes.

### **A. *Idealized Influence***

Transformational leaders behave as role models and brandish a charismatic personality that induces others to want to become more like the leader. Idealized influence can be most conveyed through a transformational leader's keenness to take certain degree of threats and follow a core set of values, opinions and virtuous principles. It is through this notion of

idealized influence that the leader builds confidence with his followers and the followers, in turn, create confidence in their leader. In these aspects the leader has to endow their subordinates creating trust and be seen as role model for the workers to surpass in their duties

**B. *Inspirational Motivation***

Inspirational motivation signifies to the leader's ability to motivate confidence, motivation and a sense of being responsive to followers' ideas and thoughts. The transformational leader enunciates a clear vision for the future, transmit expectations of the group and exhibit a commitment to the goals that have been laid out for the group to accomplish. This aspect of transformational leadership compels superb communication skills as the leader must communicate his messages with accuracy, power and a sense of clout. Other significant behaviors of the leader comprise his continued enthusiasm, eagerness and ability to point out the confident sides of organizational visions and goals.

**C. *Intellectual Stimulation***

Transformational leadership cherishes ingenuity and self-sufficiency among the leader's followers. The leader gives backing to his followers by helping them and implicating them in the decision-making process and motivating their efforts to be as creative and innovative as possible to ascertain solutions. They also confront assumptions and plead for ideas from followers without criticism, but help to change the way followers think about and entice problems and obstacles. The vision the leader expresses will thus help followers see the bigger picture and thus help them succeed in their efforts

**D. *Individualized Consideration***

In any business organization, the group members or followers have exclusive needs and desires. Some maybe stimulated by money while others could be due to need for change and excitement. The individualized consideration factor of transformational leadership acknowledges these needs and attends to it positively. The leader must be able to identify or determine by way of observation and evaluating motivates of each member of the team. Through individual tutoring and with the guides of a mentor, the transformational leader provides prospects for customized training sessions for each member of the team. These activities will thus enable members of the team to develop and become accomplished in their positions. The common examples of transformational leaders are Mahatma Gandhi and Barrack Obama. Effective transformational leadership results in performances that exceed organizational expectations.

The current business environment is very much characterized by economic uncertainty, global turbulence, organizational instability and political instability. Because of the uncertain landscape, transformational leadership has to prevail at all levels of the organization. In this case the followers of such leaders demonstrate high levels of job satisfaction and are better committed to the organization they work for, and are more committed to in fulfilling their responsibilities. Hence, having such a dedicated workforce will definitely be beneficial to contemplate making efforts towards developing ways of transforming organization through leadership. And thus for the purpose of this research the researcher will look into the four components of the leadership theory from not only the global but also the Islamic perspective.

### **LEADERSHIP FROM ISLAMIC PERSPECTIVE**

From an Islamic perspective, leadership is deemed a responsibility and trust, and cannot be gotten, advocates of this viewpoints is often referred to the Al Hadith cited in Sahih Muslim (Vol.3 No 1013 Islam does not sanction to any Muslim living without a leader in any situation. The primary duties of a leader are to steer the people in offering prayers, to look after their interests with justice and run their activities in a disciplined and systematic way according to the syariah Ahmad (2006). However, an Islamic organizational leader will assist his faction or subordinates under some distinctive principles.

The principles of leadership in Islam are garnered from the Quran the words of the Mighty Wise, the habit and sayings of Prophet Muhammad, the personality and conducts of the Caliphs and other great Muslim leaders who with paltry means and massive obstacles are able to stretched the pinnacle of distinction. The principles and application of such principles are equally useful for every leader be they Muslim or non-Muslim as they surpass racial, religious, and other time based limitations. By understanding, attaining, and the usage of these enormous principles can open up the doors to success and progress in every human effort in a similar way the Prophet Muhammad and the four Caliph namely Ali, Abu Bakar, Umar, Othman, and their successors practiced their leadership style and achieved highest places in the chronicles of human history.

### **ORGANIZATIONAL PERFORMANCE**

Rowe *et al.* (2005) said that there is a common belief that leadership can enhance the performance of organizations. The style of leadership is also considered crucial in achieving organizational goals, learning, and performance (Barling *et al.*, 1996). Each organization has its own aspiration, and employees have to exploit different restrain activities and efficient operation to achieve their organizational goals. In profit making organizations, achievement of performance is to measure income, production, and profit making. In the non-profit organizations, performances are not evaluated by profits. They are not compelled to make an impending improvement and ensure whether the decision is right or wrong, or the resource is used in the proper way, and is their mission is being achieved or not. However, the non-profit organizations require performance management in order to control organizational management (Seetoo, 1999).

### **TRANSFORMATIONAL LEADERSHIP AND ORGANIZATIONAL PERFORMANCE**

Transformational leaders will stimulate followers and direct those to achieve group performance so that followers will become competent to execute task assigned to them. Morrow (1983) propositioned that transformational leader will help to boost employees' work abilities, involvement in organizational activities, be self-determine, learn to delegate, and aspire for self-achievement. If leaders and followers are able to reciprocate, it will foster a higher recognition to the organizational targets and objectives. The followers will interject their best efforts to the organization and aspire to keep a good relationship with group members. Hence, job satisfaction can be promoted by transformational leadership while followers will perform better than expected and the degree of satisfaction increases. This is supported by Lee (1996). He found that transformational leadership in the government agencies is positively related to the followers' job satisfaction. So, performance and job satisfaction of followers in the work place will be elevated.

Hu (2001) found that organizational culture and types of leadership will influence job satisfaction of employees, and job satisfaction acts as a mediator of leadership and organizational culture to influence organizational performance. When transformational

leaders promote the involvement and achievement of the employees, their job satisfaction and identification of the organization will also be elevated. Therefore, the organization and employees will work closely and the job efficiency will be also lifted.

According to Pekerti and Sendjaya (2010), an empirical research related to organizational performance, with the impact of ethical leadership style such as servant leadership would enrich the understanding of the issue. By doing so, organizational performance can be measured in terms of asset return, on equity return, their net growth level and return on sales etc., while the efficiency and effectiveness might also be measuring tools for organizational performance (Ho, 2011). With more advance in research regarding servant and transformational leadership, a clear distinction would be possible (Stone *et al.*, 2004).

Wallach (1983) identified that performance and job satisfaction depend on the match of personal characteristics and organizational culture while Harris and Mossholder (1996) asserted that organizational culture is the core of the human resource management and it will influence on job satisfaction. Huang and Chi (2004) concluded that job satisfaction can make employees work hard and increase operational performance of the organization. Therefore, when the employee's requirements are consistent with culture of the organizational and it can thus encourage them to work hard.

## **RATIONAL**

Goals and missions of an organization can affect a leader's thinking and management style. In turn, the leadership would transform into the organizational culture and influence organizational performance. Therefore, the aim of the study is to determine the effectiveness of transformational leadership in achieving a high-performance workforce that exceeds organizational expectation. The purpose of this doctoral research is to determine the effectiveness of transformational leadership in achieving to nurture a high-performance workforce that exceeds organizational expectations. Previous studies had indicated strong evidence that the transformational leader exercises a substantial influence on performance; however, understanding of the processes through which he or she exerts this influence is still limited and largely speculative. Hence, it is absolutely pertinent to address this issue academically to substantiate the effect of transformational leadership in achieving a high-performance workforce that exceeds organizational expectations.

Transformational leadership and organizational effectiveness are indirectly related Lim and Cromartie (2001). These leaders will play an important role to transform the people and organization hence the researcher intends to find out how the transformation process will be takes place effectively.

## **METHODOLOGY**

This study will exercise both the quantitative and qualitative research methods in order to find the answers to the research questions and the objectives of the study that seek to identify the processes that a transformational leaders need to create the effect to achieve high-performance workforce that exceeds organizational expectation. The rational of using quantitative is mainly because this methodology provides data that can be expressed in numbers. Since the data is in a numeric form, the researcher will apply statistical tests in making statements about the data that will include descriptive statistics such as the mean, median, and standard deviation. The data will also provide inferential statistics in the form of t-tests, anovas, or multiple regression correlations (MRC). Statistical analysis allows the researcher to develop important facts from research data. Researchers are able to identify the trends in preference, differences that exist between clusters, and segments of people.



The obvious strength of quantitative studies' is in providing data that is descriptive, for example, in allowing the researcher to capture a snapshot of a user population but researcher will encounter difficulties when it comes to their interpretation (Madrigal and McClain, 2012). Qualitative research methods in contrast are focused on differences in term of quality, rather than in quantity. The results are in words rather than numbers. Qualitative studies normally engage fewer partakers than quantitative studies because the depth of the data collection does not allow for large numbers of participants.

For the purpose of this study, the researcher will prepare a set of questionnaires and it will be dispatched to respondents in various oil and gas companies in Libya in order to gather the views of the respondents. Subsequently, the researcher will also conduct interviews in Libya to get the views of selected respondents from among the employees from the middle management level in two top ranking oil and gas companies in Libya, namely El Brega Oil Company and Eni Gas Company.

## **CONCLUSION**

Despite transformational leadership enjoying success and attention as an exceptional leadership theory, scarce numbers of scholars have explored an explicit link between transformational leadership theory and team performance. As such, this paper discusses how transformational leadership theory can provide a framework in which to investigate the effect of transformational leadership in achieving high-performance workforce that exceeds organizational expectation. We conceived that idealized influence/inspirational motivation, intellectual stimulation and individualized consideration could produce intermediate outcomes such as common goals and vision, team or group commitment, an energized team environment and functional team conflict. However what is most important is we need to find out the process by which the transformational leaders are able to carry out his role in order to achieve high performance workforce

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