

## **Transformational Leadership and its Relationship to Empowering Employees (A case study in Jordanian banks)**

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### **Abstract**

The aim of this study is to identify the relationship between transformational leadership in its four dimensions (ideal effect, inspirational motivation, intellectual motivation, individual considerations) and enable the workers to apply to the workers in the banking sector, in addition to identifying this relationship within a range of variables attributed to this research, Gender, age, marital status, academic qualification, occupational category, years of service in the current work). To achieve this, the research was conducted on a sample of 142 employees in the banking sector. The researcher used the questionnaire method as a main tool for collecting data, The results showed that Transformational leadership in Qa workers in the banking sector was high on the elements (the ideal effect, inspirational motivation, intellectual stimulation, individual considerations, empowering workers). In addition, there is a significant relationship between transformational leadership in its four dimensions and the empowerment of workers in the banking sector. The results showed no significant differences in respondents' responses to the relationship between transformational leadership and employee empowerment due to variables (gender, age, marital status, academic qualification, occupational category, years of service in current work).

**Keywords:** Transformational Leadership, Empowerment of Employees, Jordanian Banks

## **1. Introduction**

Leadership is the key to success in any business, says (JahnC.Maxwell, 1999) "Everything depends on leadership, and the institution changes when the leader changes."

Burns (1978), in his book Leadership, describes various types of leadership and leaders. The two main styles of leadership that Burns defined in his book are Transformational Leadership and Reciprocal Leadership, where transformational leadership is defined as " During which the leader and subordinates are to advance each other to reach the highest levels of motivation and morality "(Bazarabashi, 2010).

Al-Ghamdi also believes that transformational leadership is an activity that expands and reinforces the interests of the subordinates, deepening the level of awareness of these employees and their acceptance of the group's vision and objectives, while expanding the perceptions of employees to look beyond their own interests for the common good of the organization.

## **2. Literature review**

### **2.1 Transformational Leadership:**

The issue of leadership is one of the topics that have received great interest from both researchers and practitioners. Recently, the concept of leadership in various fields such as politics, psychology and sociology has become increasingly evident. Leadership is the cornerstone of the life of organizations of all kinds (Al-Raqab, 2012).

Among these species is the transformational leadership that (Bilbini) defines as the use of the leader of the gravitational element and the relevant personality traits, elevating aspirations and transforming individuals and systems into high-performance modes of performance. Transformational leadership is a suggestive leadership that affects individuals to bid beyond expectations, often in situations of large organizational changes. Transformational leadership is based on concepts of firm foundations such as honesty, personal integrity, social and professional values and commitment, respect for the individual and interaction with others. The transformational leader has the vision of gravity, strength, empowerment, motivation, and integrity (Alazmi, 2006). "Leadership for change includes leading the planned and structured effort to achieve the desired change goals through the proper scientific recruitment of the human, material and technical resources available to the institution (Karim Khalaf, 2010)." Conger views transformational leadership as driving beyond incentives versus The desired performance is to develop and encourage subordinates intellectually and creatively and transform their own self-interest to be an essential part of the organization's supreme mission (Al-Ghazali, 2012).

The importance of leadership as we saw it as a link between the workers and the plans and perceptions of the organization to facilitate the achievement of the goals set and keep pace with the surrounding variables and the use of the service of the Organization, and based on the idea that change is the law of life and organizations can catch up with developments to ensure survival and continuity, Working methods and technology, organizational structures, and the behavior of their employees. This requires leaders who have leadership styles that enable them to take control. Without wise and efficient leadership, change processes remain paralyzed (Ghazali, 2012).

One goal of this research is to examine transformational leadership processes and their outcomes in the banks work context. In particular, we focus on the connections between transformational leadership and employee's empowerment dimensions.

There are many methods of leadership each with its advantages and results, including:

**The democratic style:** This method depends on a variety of opinions and an idea vary, and is based on the principle of delegation, which authorizes some of the powers of the director to others, and the Democratic leader is often found does not hold much to power in his work, where it is more effective when running individuals with high skills.

**Autocratic style:** The autocratic leader is characterized by his attempt to concentrate all the powers and powers in his hand, and the unique leader in this method of decision-making and the development of policies and plans without the participation of subordinates or even consulting them.

**Dictatorship or authoritarianism style:** The dictatorial leader is characterized by the centrality of absolute power. He is threatened and forced to use the principle of fear. He always uses reward and punishment with his subordinates. The subordinates act in fear of punishment.

**Anarchic or sequential style:** This method is based on giving individuals absolute freedom, by empowering everyone to complete his or her work in the manner he deems appropriate.

Transformational leadership has the ideal or charismatic influence: it is the behavior that encourages subordinates to view leaders as models of role. The essence of the charismatic effect is to create values that inspire and provide work meanings for subordinates (Skeese, 2005).

The concept of charismatic influence is strongly linked to the concept of charisma and charismatic leadership. Charisma is the set of qualities and behaviors in which leaders become superiors to be emulated by subordinates, and they are admired, valued and trusted by others (Archbold, 2003). Inspirational motivation: A leader who relies on

inspirational motivation has the ability to motivate subordinates to the highest level of performance through language, symbols, mental image. Inspirational leaders tend to be able to communicate the future vision that followers will be able to accept and fight from. As well as their ability to raise the expectations of subordinates, and thus can achieve performance beyond the planned performance of the subordinates. Intellectual stimulation: refers to the innovation of the leader of the transformation of new ideas raise the knowledge of the problem and encourage them to provide solutions and creative ways and support new models and creative work to perform, the leaders of the leaders identify the opportunities and threats and strengths and weaknesses of the organization and the development (generation) expression, High quality solutions are carried out with full commitment by subordinates. Individual considerations: A group of behaviors through which the leader can give personal attention to each subordinate, by identifying the level of needs and desires of each subordinate and taking into account the individual differences between the subordinates in satisfying these needs.

## **2.2 Employees Empowerment**

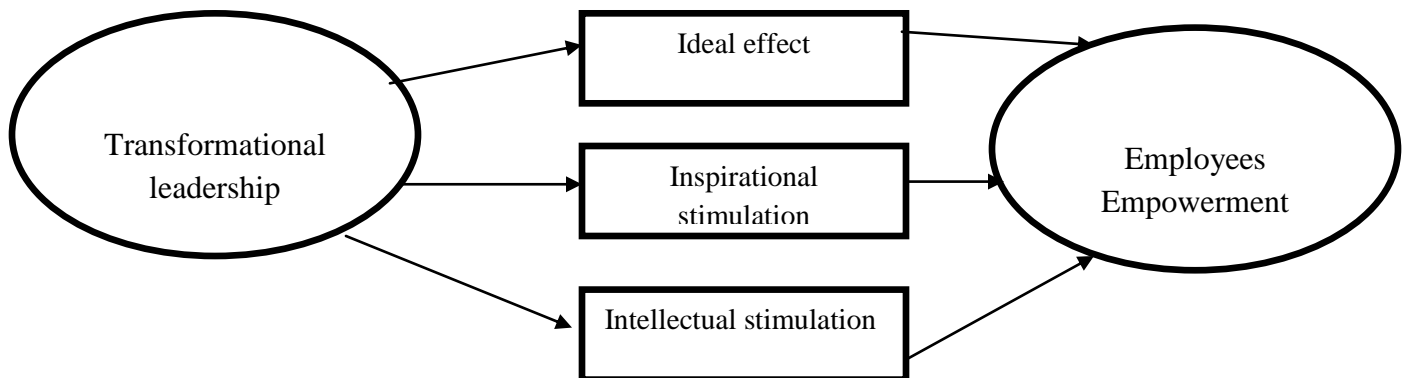
The modern management science has been concerned with the people working in the organization, as the main pillar within the organization and its competitiveness, through applying the latest methods of human resources management, which works to raise the level of workers' performance. Make decisions and give them power, influence, power and responsibility in the decisions they make or share with senior management (Afana, 2013). The ideas and opinions of most researchers in the late eighties and early nineties crystallized on the concept of empowerment as a modern concept in administrative thought as well as being a contemporary entry into the business management environment, which is one of the keys to the success and sustainability of the organization (Ali, 2013). When employees have the power to make decisions about their tasks, they become more able to manage and organize their own work, and feel ownership of the results of their work. Employees with authority are able to cope with difficult situations

No matter how effective the empowerment of workers, however, organizations may face some of the constraints that limit their ability to apply empowering workers such as extreme central decision-making power and unwillingness of managers to apply the concept of empowerment for fear of losing power. As well as workers' fear of taking responsibility that discourages initiative and innovation. Due to rigid systems and procedures that do not encourage it and weak motivation and training (Afana, 2013) (Al-Otaibi, 2004) (Forrester, 2000).

### 2.3 The relationship between transformational leadership and employee empowerment

Transformational leadership is one of the most appropriate management methods for leading change processes in organizations. It is therefore defined as increasing the organization's ability to continually improve by focusing on employee development. Transformational leadership is characterized by methods and behaviors that encourage empowering employees, empowering subordinates to think on their own, Encouraging them to come up with new and creative ideas, and as the great leader works to empower others to help them transform and sustain their vision. Leaders who have transformative behavior have the power to supply their subordinates with energy and God Or to enable them to act by providing them with a vision for the future rather than relying on the method of punishment and punishment (Al-Raqab, 2010).

### 3- Research Models



H1: There is a positive relationship between Transformational leadership and empowerment employees.

H2: There is a positive relationship between Ideal effect and empowerment employees.

H3. There is a positive relationship between Inspirational stimulation and empowerment employees.

H4. There is a positive relationship between Intellectual stimulation and empowerment employees.

## 4. Methodology

### 4.1 Data Collection

The population of the study is Jordanian commercial banks. Data collected from a sample of 90 managers'. Primary data were collected using questionnaires addressed to top management of the firms. Respondents selected from lists of employees' usually practice and manage leadership and workings with all required information. The distribution of questionnaires was randomly by the bank administration department.

**Table (1) Reliability Statistic**

Cronbach's Alpha	Cronbach's Alpha with Standardized Items	Number of Items
.752	.673	3

The researcher used Cronbach's Alpha to measure the internal consistency of the study instrument (Questionnaire) it was (.842). Pallant, et al. (2009) pointed out that the minimum accepted level is (0.7)

**Table (2) Regression and ANOVA**

ANOVA						
Model		Sum of Squares	Degree of freedom	Mean Square	F	Sig.
1	Regression	1.069	1	1.069	22.213	.002
	Residual	12.513	79	.097		
	Total	13.682	10			
Dependent Variable: Employees Empowerment						
Independent variable is Ideal effect						

**R=0.27, R.Square= 0.065, Adjust R Square= 0.069, F=22.213. P< 0.05, Beta= 0.30**

Table (2) shows the regression is significant with P value less 0.05 significant levels. Therefore, the employee's empowerment has positive impact on Ideal effect; sizes of Standardized Coefficients (Beta) suggest an important relationship.

**Table (3) ANNOVA and Regression**

ANNOVA						
Model		Sum of Squares	df	Mean - Square	F	Sig.
	Regression	.543	15	.543	26.797	0.020
	Residual value	11.146	75	.100		
	Total	11.693	90			
Independent variable: Inspirational stimulation						
Dep Variable: Employees Empowerment						

**R=0.22, R Square= 0.053, Adjust R Square= 0.037, F=26.797, P< 0.05, Beta=0.23.**

The table (3) shows that the regression is significant with P value less 0.05 significant. Therefore, the employee's empowerment has a positive impact on inspirational stimulation; sizes of Standardized Coefficients (Beta) suggest important relationships.

**Table (4) ANNOVA and Regression**

ANNOVA						
Model		Sum of Squares	df	Mean- Square	F	Sig.
	Regression	0.531	1	.422	42.844	.022
	Residual value	10.146	79	.100		
	Total	9.682	10			

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Independent variable: Intellectual stimulation				
Dep Variable: Employees Empowerment				

**R=0.21, R Square= 0.043, Adjust R Square= 0.033, F42.844=, P< 0.05, Beta=0.21**

The table (4) shows regression is significant with P value less 0.05 significant levels. Therefore, the employee's empowerment has positive impacts on Intellectual stimulation; sizes of Standardized Coefficients (Beta) suggest important relationships.

## 5. Conclusion

The study was focused on examining the relationship between Transformational leadership and empowerment employees on commercials banks. The summary of this study can provide the direction for further research; on the other hand can also help us recognize the mechanism between innovation and enterprise performance, which can improve the performance of innovation. .where the results provide that the entrepreneurship and innovation affect the managerial policy and lead to significantly impact the general performance of banks.

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