

Transformational Leadership Impact on Team Performance and Conflict Applied Case Study on “Abi-Qir Company for Fertilizers”

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Abstract

This study aimed to explore the impact of transformational leadership on the team performance and team conflict through applying the survey research on the employees working in Abu-Qir company for fertilizers. The result analysis revealed there is a significant positive impact of transformational leadership on team performance. The future research directions and limitation are declared.

Keywords: Transformational leadership, team performance, Team conflict.

Introduction

Transformational leadership behavior represents the most active and effective form of leadership, a form in which leaders are closely engaged with followers, motivating them to perform beyond their transactional agreements (Rubin et al., 2005). Transformational leaders motivate followers to achieve performance beyond expectations by transforming their attitudes, beliefs, and values as opposed to simply gaining compliance (Bass, 1985). Over the past twenty years or so, research on transformational leadership has come under pressure to prove how this leadership style contributes to individual and organizational performance. The positive association between transformational leadership and follower behaviors is well documented, and as three separate meta-analytic reviews have summarized (Fuller et al., 1996; Judge and Piccolo, 2004; Lowe et al., 1996), transformational leadership dimensions have shown strong and consistent correlations with task performance. This extensive research on the relationship between the two constructs is the best proof of its real complexity and importance.

Over the last 33 years a great deal of research has examined the direct effects of leadership on work outcomes such as job performance, creativity, and organisational citizenship behaviour (Zhu et al., 2013).. However, although in the last decade scholarly research on the topic of leadership has witnessed an impressive increase, resulting in the development of diverse leadership theories (Dinh et al., 2014), it is only in recent years that research started sorting out the mechanisms that mediate the relationship between transformational leadership and work outcomes (Zhu et al., 2013). One such mechanism has focused on the development of follower trust in the leader (i.e. the belief in the integrity, character, and ability of the leader) (e.g. Jung and Avolio, 2000; Karketal. 2003).

leadership style

So the recent study aims at investigate the impact of transformational leadership on the performance in: team performance and team conflict through applying the study on the employees of Abu Qir Company for fertilizers at Alexandria .

Transformational leadership

Transformational leadership theory, developed by Burns (1978) and popularized by Bass (1985), refers to the ability of leaders to change the organizational status quo through the development of shared follower values, needs and aspirations, with the aim of generating awareness and acceptance of group goals (Bass, 1990). Transformational leaders generate a vision of the future, communicate that vision to followers and foster commitment to that vision (Avolio, 1999). The conceptualization of transformational leadership into four main components: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (Bass and Avolio, 1994). Idealized influence is concerned with the leader’s ability to exert emotional influence over and gain respect from his/her followers (Bass, 1998). Leaders provide idealized influence when they act as role models through the exhibition of exemplary ethical behavior. They set goals which are not self-centered and demonstrate a willingness to pursue these goals even when personal costs result. Such behavior generates respect for, and trust in, the leader and makes followers more proud of their organization and keener to work harder to promote its goals (Bass and Avolio, 1994). Inspirational motivation is concerned with the ability of the leader to provide followers with a sense of purpose and energy to foster the attainment of organization goals (Bass, 1985). This is done through the creation of a new vision, developing clear and plausible strategies for attaining the vision and mobilizing commitment to that vision through communicating the vision to followers in a clear and plausible way (Avolio, 1999; Walumbwa and Lawler, 2003).

Intellectual stimulation refers to the ability of leaders to get their subordinates to question their own

values and beliefs, as well as those of the leader and the organization.

Empirical research in the multilevel impact of transformational leadership theory on performance

Wang et al,2011;Brasnav,2014;& Pounder,2014) showed that there is a direct impact of transformational leadership on performance, while there are several studies showed that there is an indirect impact of transformational leadership on performance through the mediation of :personal identification(Wang & Hawell,2012),trust& commitment(Schwepker&Good,2013;Dayaram,2014),information and communication technology(ICT) policy and professional development activities (Vemeulen et al,2015),leader-member exchange and relational identification (Jyotie& Bhav,2015) , and meaningful work (Pradhan& Pradhan,2016).

While there are studies indicated that there is an impact with the support of moderators (voirion et al, 2010; lee et al, 2013).

Also the transformational leadership theory itself was investigated as a mediator between some organizational constructs & performance such as: emotional intelligence (Hou, 2015), (Soane et al, 2015).

Regarding team level; (Lee et al, 2011; Zhan et al, 2015) showed that there is direct impact, while Wang &Hawell (2012) indicated that there is indirect impact through personal identification.

Also Hur et al (2011) indicated that transformational leadership mediates the relationship between emotional intelligence & leader effectiveness at group level.

H1: Transformational leadership impacts team performance

Finally, for the organizational level (Zhan et al, 2012) showed a direct impact while other studies showed an indirect impact through some constructs such as: dynamic capabilities of organizational learning & innovation (Morales et al, 2012), employee attitudes toward changes (Sladjana et al,2015), organizational identity strength (Boethm et al,2015), while Katou(2015) shows that organizational justice ,trust and employee reaction mediate the relationship between transformational leadership & performance.

Conflict refers to an interactive process manifesting incompatibility, disagreement or dissonancebetween two or more interacting individuals (Rahim et. al., 2002). Conflict exists for a variety of reasons conflicting goals or desires or scarce resources in interdependent systems. Conflict also exists over what to do and how to do the activities. According to the friction model of conflict, it is assumed thatinteraction naturally leads to conflict. From this perspective, conflict is to be expected and should be managed constructively (Roark, Albert and Wilkinson, 1979). “Conflict” is a word that causes a great degree of discomfort, anger, frustration, sadness, and pain to people (Singh & Antony, 2006).

Author	year	country	sector	level	Mediator	moderator	finding
Voinin et al	2010	french	aeronautic company	Group and individual		climate for innovation	there is direct impact on group level indirect impact of individual level
Wang et al	2011	multi	multi	Group and individual			there is direct impact on both levels
Lee et al	2011	China	retail banks	Group			there is direct impact
Hur et al	2011	South Korea	Public sector	Group	transformational leadership		relationships between emotional intelligence and leader effectiveness,
Morales et al	2012	Spain	spanish firms	Organizational level	dynamic capabilities of organizational learning and innovation		organizational performance positively through organizational learning and innovation
Wang & Hawell	2012			Group and individual	personal identification		personal identification mediates the relationship
Lee et al	2013	Taiwan	multinational companies	individual		intelligence /socialization	there is direct impact
Schwepeker & Good	2013	multi	multi	individual	trust in the organization and salesperson moral judgment		there is indirect impact
Birasnav	2014	french	french firms	individual			direct relationship
Sladjana et al	2014	Serbia	acquired companies	Organizational level	employee attitudes toward changes		there is direct /indirect impact
Dayaram	2014	Indonesia	Civilian Para-Police Force	individual	trust and commitment		there is indirect impact
Pounder	2014	Turkey	Education	individual			there is direct impact
Boehmet et al	2015	Germany	German companies	organizational level	organizational identity strength		there is indirect impact
	2015	Greece			organisational justice, organisational trust, and employee reactions		
Katou			Public sector/private sector	organizational level			there is indirect impact
Hou	2015	China	a military-based research	individual	transformational leadership		mediates the relationships between emotional intelligence and
Soane et al	2015	Greece	boat	individual	transformational leadership		the relationships between emotional intelligence and work performance,
Vermuelen et al	2015	China			technology (ICT) policy and professional development activities		
Zhan et al	2015			Organizational level /group			there is direct impact
Jyoti& Bhau	2015		Education	individual	leader-member exchange and relational identification		there is indirect impact
Pradhan & Prad	2016	India	IT	individual	meaningful work		relationship between transformational leadership and

Conflict management is necessary by the top brass of the corporation by exercising the supporting forces to overcome the inhibiting forces which affect the managers badly (Gupta, 2000).

H2: Transformational leadership impacts team conflict

From the previous presented study it is obvious that the previous research investigated the impact of transformational leadership without giving an in-depth understanding to the impact of transformational leadership dimensions on the performance.

Also the previous research doesn't on the relationship between leadership and conflict focused on how to manage the conflict rather than measuring the impact of leadership style on conflict components.

Finally, from the limitation in the previous research is the usage of the self assessment report for leadership style which leads to subjective and personal bias So to fill those gaps in the literature the recent study is an attempt to measure the impact of transformational leadership on team performance and team conflict with evaluating managers(leaders) leadership style from employees assessment to overcome bias issue.

3. Research Methodology and Design:

To realize the objectives of the present study, the following methodological techniques have been adopted.

3.1 RESEARCH Approach:

According to the purpose, this study is in the category of applied research and according to data collection procedure is in the category of survey research.

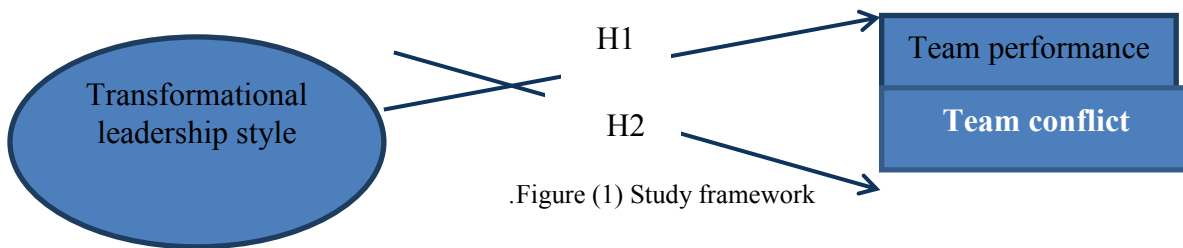
3.2 RESEARCH Problem:

Is transformational leadership impacts team performance and conflict?

3.3 Research Variables & Measurements:

A number of variables were considered for this study. The Independent variable of this research was: transformational leadership style. The dependent variables used were team performance and team conflict.

3.4 RESEARCH FRAME WORK:



.Figure (1) Study framework

3.5 Questionnaire

To the purpose of the study two questionnaires were developed the first one for team leader (manager) aimed at measuring team performance and conflict , and the 2nd questionnaire was for team members (employees) which aimed at evaluate transformational leadership practices. First questionnaire consisted of 2 parts: 1st part: demographic information, 2nd part consists of 10 statement measuring team performance developed from Wu (2005), & four statements developed from Jehn's (1995) to assess team conflict. While the second questionnaire consisted of 16 statements measuring the transformational leadership style based on Datche (2015). The statements assessed by using Likert scale of five points scale ranging from 5 "highly agree" to 1 "highly disagree".

Variable	Cronbach's Alpha
Individualized influence	.708
Inspirational motivation	.721
Intellectual stimulation	.737
Individualized consideration	.723
Team performance	.811
Team relation conflict	.715
Team task conflict	.823

In order to assess the reliability, the reliability coefficient was calculated using Cranbach's alpha, and for all variables were higher than 0.85 which is an acceptable level for the reliability of the variables.as mentioned in table (3.1)

3.6 Population and sample:

The target population of this study was production sectors Abu Qir Company consists of 3000 employee in all company. They are mainly composed of employees of different groups; Division, position level, experience, background of education, for the difficulty of measuring the population as whole we selected sample of 341 employee and 61 manager. According to online calculator <http://www.surveysystem.com/sscalc.htm>

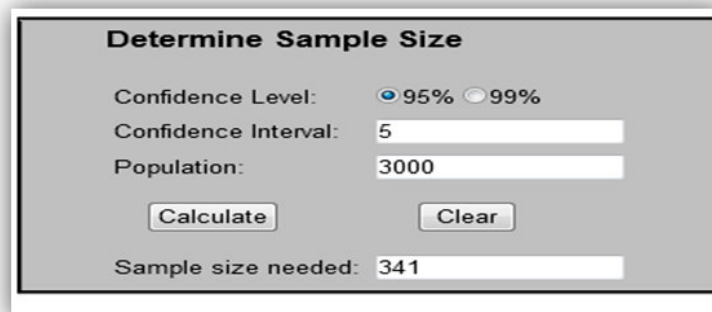


Figure (2) sample size calculator

The sample was as follows:

Team leaders:66.6% of the sample under study is males, while only 34.4% is females. In addition, around 80.7% of the sample under study is engineers. Besides, around 73.7% of the sample under study holding MBA degree, around 87.2 % of the sample under study has engineering background, and around 49.2% have experience 15-20 year.

Team members: be shown that 56.6% of the sample under study is males, while only 34.4% is females. In addition, around 40.7% of the sample under study is engineers. Besides, around 73.7% of the sample under study holding BSC degree, around 57.2 % of the sample under study has engineering background, and around 49.2%

have experience 5-10 years.

4. Findings:

4.1 Hypothesis Testing:

Table3.2: Summary regression analysis for Transformational leadership and team performance (N=341)			
Model			
Variable	B	SEB	β
Constant	3.346	1.066	
Transformational leadership	.480	0.337	0.18
R2	0.131		
F sig change	0		

A linear regression was performed in order to assess if transformational leadership style impacts team performance and conflict. The results of the regression indicated as following:

Regarding **1st hypothesis** as mentioned in table () the transformational leadership style impacts the team performance positively and it explains 13.1% of its variance.

The table above proposes the following model:

$$\text{Transformational performance} = 3.346 + .131 * \text{Transformational leadership}$$

To investigate the most transformational leadership dimension that predict team performance, a step wise regression analysis conducted the results were as follows:

Table3.3: Summary stepwise regression analysis for Transformational leadership dimensions predicting team performance (N=341)			
Model			
Variable	B	SEB	β
Constant	4.740	.496	
Individualized consideration	-.440	.171	-.312
R2	0.098		
F sig change	0.013		

As mentioned in the above table (3.3) that the most transformational leadership dimension that predicting team performance negatively with explanation power (0.098)

The table above proposes the following model:

$$\text{Team performance} = 4.740 - .312 * \text{Individualized consideration}$$

Regarding **2nd hypothesis** as mentioned in table (3.4) that the most transformational leadership dimension that predicting team performance are individualized consideration negatively and inspirational motivation positively with explanation power (0.098)

The table above proposes the following model:

$$\text{Team relation conflict} = 2.780 - .309 * \text{individualized consideration} + .252 * \text{inspirational motivation}$$

Table3.4: Summary stepwise regression analysis for Transformational leadership dimensions predicting team relation conflict (N=341)			
Model			
Variable	B	SEB	β
Constant	2.780	.553	
Individualized consideration	-.309	.127	-.288
Inspirational motivation	.252	.108	.276
R2	0.157		
F sig change	0.023		

While regarding the transformational leadership dimensions that predict group task conflict the results revealed that only individualized consideration predicts group task conflict negatively with an explanation power (0.233) as mentioned in table (3.5).

The table below proposes the following model:

Team task conflict = 3.508-.132individualized consideration

Table 3.5: Summary stepwise regression analysis for Transformational leadership dimensions predicting team task conflict (N=341)			
Model			
Variable	B	SEB	β
Constant	3.508	.318	
Individualized consideration	-.132-	.110	-.152-
R ²	0.233		
F sig change	0.023		

4.0 Findings

4.1 Conclusions

This study aimed at investigating the impact of transformational leadership on the team performance and team conflict through applying the survey research on the employees working in Abu-Qir company for fertilizers. The result analysis revealed the following points:

First, transformational leadership positively impacts team performance which agreed with (Hur et al., 2011; Lee et al., 2011; Wang et al., 2010; Voiron et al., 2010; & Zhan et al., 2015).

While regarding the in-depth investigation for the relationship the results revealed that individualized consideration is has the most explanation power of the variance in team performance in negative direction.

Secondly, regarding the team conflict the results revealed that team relation conflict mostly predicted by individualized consideration in negative way and inspirational motivation in positive direction. While team task conflict is mostly predicted by individualized consideration in negative direction.

4.2 Theoretical implications

The recent study adds to the body of the literature in the following points:

First, from the previous presented study it is obvious that the previous research investigated the impact of transformational leadership without giving an in-depth understanding to the impact of transformational leadership dimensions on the performance.

Second, the previous research doesn't on the relationship between leadership and conflict focused on how to manage the conflict rather than measuring the impact of leadership style on conflict components.

Finally, from the limitation in the previous research is the usage of the self assessment report for leadership style which leads to subjective and personal bias. So to fill those gaps in the literature the recent study is an attempt to measure the impact of transformational leadership on team performance and team conflict with evaluating managers (leaders) leadership style from employees assessment to overcome bias issue.

4.3 Managerial implications

For the managers or team leaders to enhance team performance, they should decrease individualized consideration. This may be due to the Egyptian culture concerns so they would try to decrease the individual support as it will be understood as personal bias.

Also, they should decrease individualized consideration and increase inspirational motivation through provide followers with energy and motivation.

Finally, to decrease team task conflict managers should decrease individualized considerations with followers.

4.4 Limitations

Also the study has theoretical implications, it also has some limitations as follows:

First, small sample size which will impact the generalization of the study, secondly, difficulty to measure organizational performance level due to the confidentiality of data.

4.5 Future research directions

Future researchers should be direct their focus on conducting more research on the impact of other leadership styles such as servant leadership.

Compared the difference between demographic groups on team, individual and organizational levels.

Conduct a comparative studies with a larger sample to generalize the results, also try to compare cultural differences between countries.

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