

A descriptive study of transformational leadership style on employees' innovative work behaviour and organizational performance (A case study on employees of Tata group)

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Abstract

Leadership is a phenomenon that always fascinated business managers. In present study researchers have tried to find the impact of transformational leadership on organizational performance and innovative work behavior. The researchers have used a self-developed valid and reliable tool (Cronbach's' Alpha .802). The tool extracted 6 factors viz Transformational leadership, employee performance, organizational performance, Innovative work behavior, Motivation and knowledge sharing. All the factors correlated well and the hypothesized model finds an adequate model fit (CMIN/df 3.11, CFI 0.985, GFI 0.982, RMSEA 0.65)

Key Words: Transformational Leadership, Employee performance, Innovative work behavior

I. Introduction

Leadership can work out easily, however it's not really intrinsic. Leadership can be learned through leadership advancement programs, where leadership abilities are made, created, and worked on through thorough schooling and practice. Those abilities can assist with exhibiting why leadership is significant. "Leadership is regularly connected with top administration, however leadership can happen anyplace," Taillard says, referring to great educators and great understudies as showing leadership abilities. "It is stepping up, it is showing interest, it is seeking after a mission to fill a more prominent need, or more noteworthy great." Understanding pioneering leadership and sharpening the essential leadership abilities are imperative to turning into an enterprising pioneer, ready to recognize, address, and assist with tackling complex issues with sympathy. Jay Rao, Babson says innovative pioneers are acceptable danger administrators, great at situation arranging, and plan for possibilities and emergencies. "When there is incredible outside disturbance and turmoil, enterprising pioneers give an island of sureness and quiet for their workers and additionally residents." Present research is based upon the transformational leadership. In this type of leadership, the orientation is towards the people. Since the introduction of the idea of 'Innovative Work Behaviour' in 1994 and 1998 by Scott and Bruce (1994, 1998), the writing utilizing IWB has developed consistently. Researchers have decided to study the impact of Transformational leadership on innovative work behaviour and organizational performances.

II. Literature Review

To evaluate the research problem and to establish hypothesis for objective, researchers have made a study of last 05 years key researches. **Wang, D., Waldman, D. A., & Zhang, Z. (2014)** cumulated 42 independent samples of shared leadership and examined its relationship to team effectiveness. Our findings reveal an overall positive relationship ($\rho = .34$). But perhaps more important, what is actually shared among members appears to matter with regard to team effectiveness. That is, shared traditional forms of leadership (e.g., initiating structure and consideration) show a lower relationship ($\rho = .18$) than either shared new-genre leadership (e.g., charismatic and transformational leadership; $\rho = .34$) or cumulative, overall shared leadership ($\rho = .35$). **Karadağ, E., Bektaş, F., Çoğaltay, N., & Yalçın, M. (2015)** in their meta-analysis study, different leadership styles were combined, and the relationship between educational leadership and student achievement was analyzed. In the literature review, 57 research articles/dissertations, independent from one another, were brought together, and 28,964 study subjects were included in the sample group. The results of the analyses performed with a random effects model revealed that educational leadership has a medium effect on students' achievement. As was expected, the most comprehensive effect among leadership styles was found in distributive and transformational leadership. Considering the effect of educational leadership on students' achievement, it is recommended to examine the effect of leadership on other components of school and shareholders in future studies. **Balwant, P. T. (2016)** showed that there were significant differences between the transformational leadership dimensions, thus supporting the notion that each dimension is conceptually distinct. The present meta-analysis drew from varied disciplines in contributing the first integrative review on transformational instructor-leadership. Future research needs to extend the literature with regard to context sensitivity, common method variance, causal conclusions, mechanisms, outcome measures, and control variables. Practically, higher education institutions should consider training transformational instructor-leaders. **Pradhan, R. K., Panda, M., & Jena, L. K. (2017)** examine the role of transformational leadership in psychological empowerment in Indian retail industry. **Jain, P., & Duggal, T. (2018)**, investigate the mediating role of job autonomy (JA) in the relationship between transformational leadership (TL) and organizational commitment (OC) and the moderating effect of emotional intelligence (EI) on the relationship between JA and OC. Data for the study were obtained from the respondents of information technology industries across India by using convenience sampling.

Considering the earlier study, researchers have found that a study will be meaning to evaluate the effect of transformational leadership with innovative work behaviour and organizational performance.

III. Research Methodology

Based upon the research gap and the objective of the study the researchers have established following hypothesis:

H⁰: There is no significant relationship between transformational leadership style on employees' innovative work behaviour and organizational performance

H^a: There is significant relationship between transformational leadership style on employees' innovative work behaviour and organizational performance

For the purpose of study, a tool of 30 item have been used. it has been tested for validity and reliability. Most commonly used measurement tool for reliability is Cronbach's Alpha. Value above 0.600 is considered to predict a reliable tool. The tool shows Cronbach's Alpha 0.802 that is predicting that our tool is reliable and repeats the research results. researchers have used SPSS and AMOS to analyze the data.

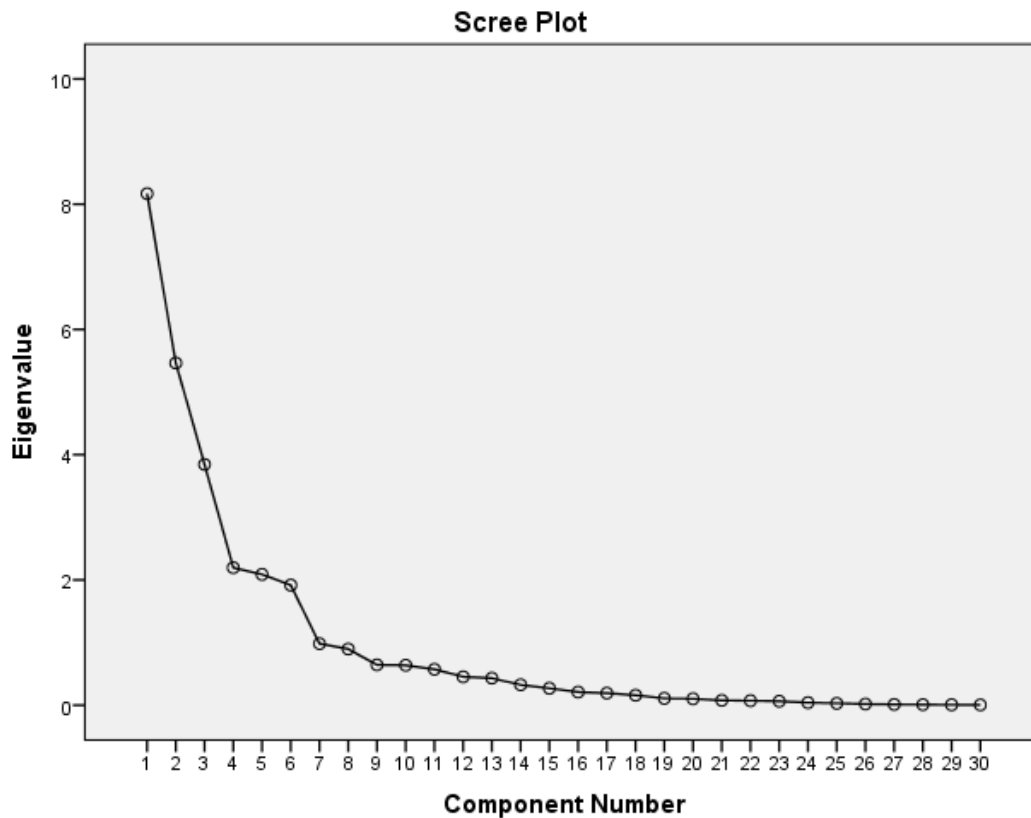
Sampling Techniques: Simple Random Sampling

Sample Size: 500 employees of TATA group, Delhi NCR, Lucknow

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.802	.801	30

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.784
Bartlett's Test of Sphericity	Approx. Chi-Square	22468.368
	df	435
	Sig.	.000

Kaiser-Meyer-Olkin (KMO) Test is a measure of how well-suited data is for factor analysis. Different scholars of statistics have different views for accepting KMO value. In practice value between 0.80 to 1.00 is excellent. A value between 0.60 to 0.80 is middling. Value of research data is 0.784 which can be considered acceptable for sampling adequacy. The sig. value for Bartlett's Test of Sphericity is 0.000. For factor analysis to be recommended suitable, the Bartlett's Test of Sphericity must be less than 0.05. So, the current data is adequate for factor analysis.



The Cattell scree test plots the components as the X axis and the corresponding eigen values as the Y-axis. Cattell's scree test says to drop all further components after the one starting the elbow Scree plot shows that after 6 components the graph exhibits almost a straight line. Therefore, our research will consider 06 components or factor out of 30 questions tool.

IV. Analysis and Findings

1- Result of person correlation between transformational leadership with Innovative work Behaviour shows the value (r) 0.693.

Correlations			
		Transformational Leadership	Innovative work Behaviour
Transformational Leadership	Pearson Correlation	1	.693**
	Sig. (2-tailed)		.000
	N	500	500
Innovative work Behaviour	Pearson Correlation	.693**	1
	Sig. (2-tailed)	.000	
	N	500	500

** . Correlation is significant at the 0.01 level (2-tailed).

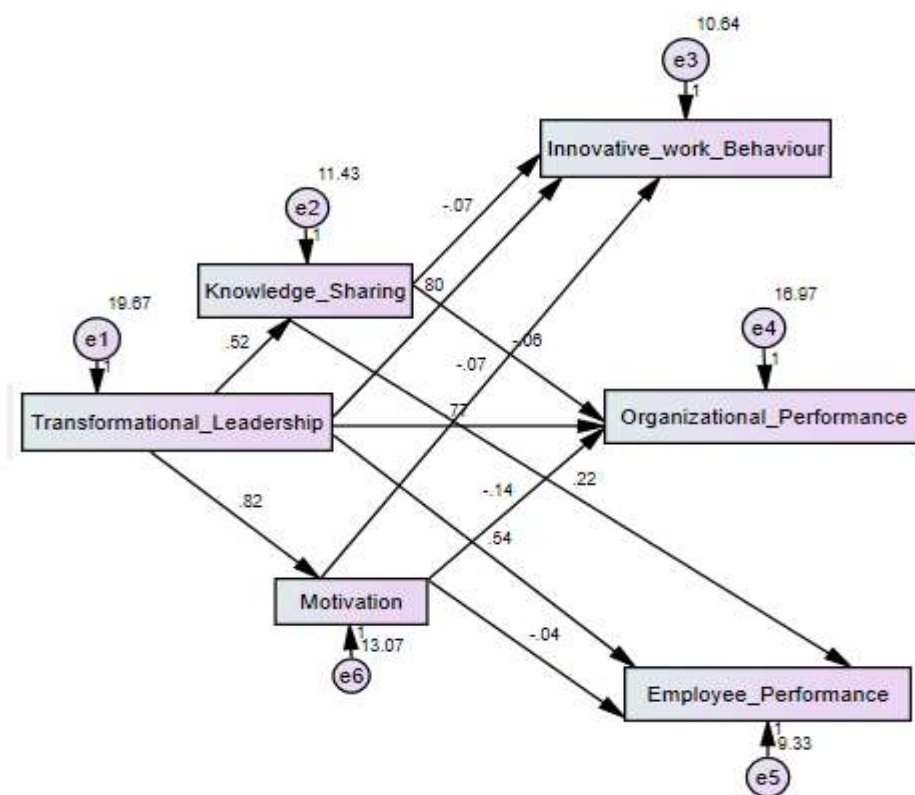
2- Result of person correlation between transformational leadership with Innovative work Behaviour shows the value (r) 0.693.

Correlations			
		Transformational Leadership	Organizational Performance
Transformational Leadership	Pearson Correlation	1	.558**
	Sig. (2-tailed)		.000
	N	500	500
Organizational Performance	Pearson Correlation	.558**	1
	Sig. (2-tailed)	.000	
	N	500	500

** . Correlation is significant at the 0.01 level (2-tailed).

3- Researcher has found the other variables explored in the study, are highly correlated with transformational leadership. Motivation (r .709), Knowledge Sharing (r .565) and Employee Performance (r .659). Multiple correlation coefficient R for the study has been found as .880 and Adjusted R Square as .772. This supports the results of one and two. The researchers rejected the null hypothesis, so, it can be said as that, **‘There is significant relationship between transformational leadership style on employees' innovative work behaviour and organizational performance’**

4- Research have hypothesized following effect pattern for the effect path.



Hypothesised Model

To obtain the model fit changes have been done in the hypothesized with the help of modification indices. The model fit for final structural model is as follows:

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	12	28.030	9	.001	3.114
Saturated model	21	.000	0		
Independence model	6	1682.465	15	.000	112.164

RMR, GFI

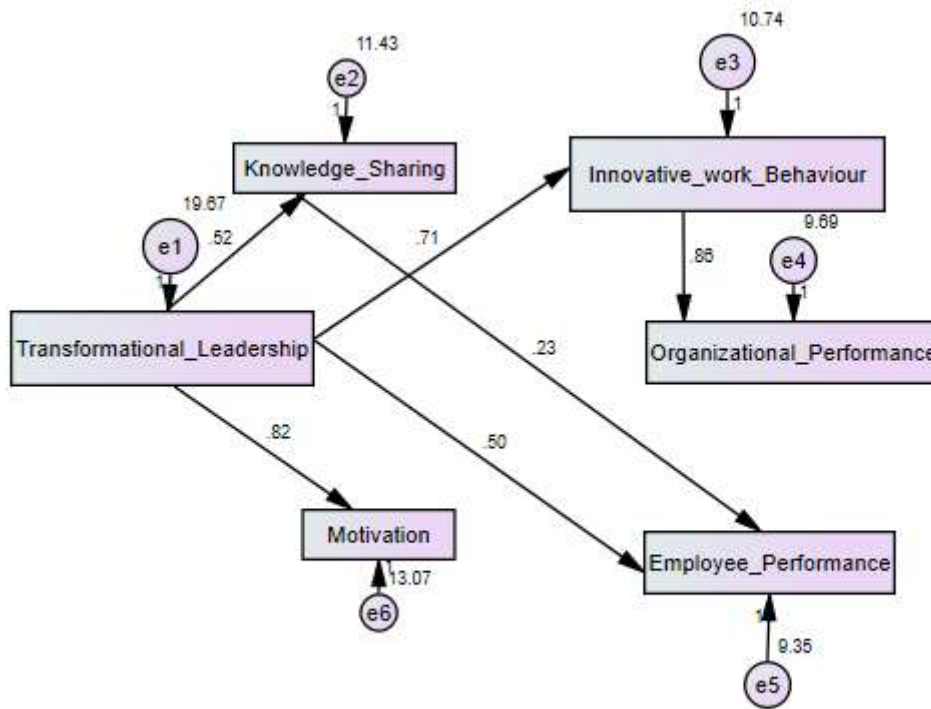
Model	RMR	GFI	AGFI	PGFI
Default model	.579	.982	.959	.421
Saturated model	.000	1.000		
Independence model	9.245	.422	.191	.301

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.983	.972	.989	.981	.989
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.065	.039	.093	.159
Independence model	.472	.453	.491	.000



Structural Model

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Label
Innovative work Behaviour	<---	Transformational Leadership	.711	.033	21.481	***	
Knowledge Sharing	<---	Transformational Leadership	.522	.034	15.283	***	
Motivation	<---	Transformational Leadership	.819	.036	22.449	***	
Employee Performance	<---	Transformational Leadership	.503	.037	13.454	***	
Organizational Performance	<---	Innovative work Behaviour	.861	.031	28.082	***	
Employee Performance	<---	Knowledge Sharing	.229	.040	5.651	***	

V. Conclusion

Innovative work behavior, organizational performance and leadership are subjects of interest among researchers and specialists that play a huge effect on competitive advantage and organizational performance. Researchers have been featuring inquiries concerning whether innovation and leadership encourage prevalent performance and regardless of whether past performance is driven by innovation and leadership. Subsequently unwinding the connection of innovation, leadership, and organizational performance has constrained researchers to direct further research around here. A few examinations have detailed the straight connection among innovation and organizational performance however the outcomes

stay uncertain. A few surveys showed a positive relationship, negative, and no critical relationship among innovation and organizational performance. Associations are additionally powerless against different elements. This suggests that innovation isn't the main factor that impacts organizational performance but the leadership is the key to success. Transformational leadership lead to organizational performance. Researchers have pointed out the significance of Transformational Leadership. They suggested further exploration should be conveyed to analyze the relationship of leadership styles on organizational performance. This is on the grounds that it is broadly acknowledged that leadership style and its various measurements can drive association predeterminations.

Findings of this research highlight the importance of transformational leadership for innovative work behaviour and organizational performance. Results from this study are applicable for practical and theoretical purposes. Since previous studies were regularly conducted in different time and geographical area, the findings suggest that the similar study could also be valid in other organizations and the findings found in a certain society might be evident in a different society. For purposes of generalizability further study can be validated by using different samples and approaches in a variety of settings.

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