

Transformational Dynamics: Linking Leadership Roots to Organizational Effectiveness

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Abstract— Over the past few decades, the concept of leadership has evolved, becoming more sophisticated and nuanced, with numerous factors found to influence organizational performance. Among these, leadership style has been recognized as a critical determinant of organizational effectiveness. This study aims to examine the relationship between transformational leadership traits and their efficacy. The survey, involving 71 participants, was conducted at the top five construction companies in Ottawa, as ranked by the Ottawa Chamber of Commerce and Industry. To analyze the data, the researchers employed an empirical quantitative approach. The results indicate that the idealized influence trait showed the strongest correlation, with a value of $= .737 > 0.01$, demonstrating a significant positive relationship between idealized influence and leadership efficacy.

Keywords—Ottawa, Effectiveness, Transformational Leadership

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I. INTRODUCTION

With increasing competition in the construction sector, heightened consumer demands, and limited resources and skills, service providers are under pressure to enhance their operational efficiency. Samson and Lema (2005) highlight that companies in this industry must continuously innovate and refine their processes to remain competitive. One crucial area for improvement is leadership, which plays a fundamental role in shaping organizational success.

Leadership is a core function that every management team within an organization must fulfill. However, many managers mistakenly believe that their role automatically entails effective leadership. They often assume that managing tasks and overseeing operations is synonymous with leading a team towards a unified organizational goal. In reality, the title of “manager” does not guarantee effective leadership. Leadership requires more than task management; it necessitates the ability to inspire, influence, and guide individuals toward achieving both personal and collective objectives.

Effective leadership, particularly in a complex and resource-constrained industry like construction, involves motivating and aligning employees with the company’s vision. This requires a manager to transcend beyond simply overseeing tasks and schedules. To lead effectively, a manager must influence subordinates positively, fostering an environment where employees are encouraged to contribute to organizational goals while also fulfilling their individual aspirations. This aspect of leadership is where the transformational leadership style can play a vital role.

Transformational leadership refers to a leadership style that not only focuses on organizational outcomes but also fosters positive societal change. Leaders who adopt this approach tend to have a profound and lasting impact on their teams by encouraging high levels of morale, motivation, and productivity among their followers. This leadership style is not limited to achieving organizational goals but also helps in

personal development, enhancing both the leader’s and the followers’ abilities to contribute meaningfully to the organization and society at large.

Transformational leadership is characterized by four key traits: idealized influence, inspirational motivation, intellectual stimulation,

and individualized consideration. Each of these traits plays a crucial role in determining the effectiveness of a leader.

Leaders who exhibit idealized influence serve as role models for their followers. They command respect and admiration, and their actions and decisions reflect a strong ethical foundation. Employees look up to these leaders for guidance and inspiration, which in turn fosters trust and loyalty. In the construction sector, where trust and cooperation are vital for the success of projects, idealized influence can be particularly effective in cultivating a strong, motivated workforce.

Transformational leaders inspire and motivate their teams by communicating a compelling vision of the future. They articulate goals in a way that is meaningful and aligns with the aspirations of their followers. In a highly competitive environment like construction, where projects are often complex and challenging, inspirational motivation can drive employees to overcome obstacles and achieve remarkable results.

A transformational leader encourages innovation and creativity by challenging the status quo. They empower their followers to think critically, solve problems, and generate new ideas. Intellectual stimulation fosters an environment of continuous learning, which is essential for adapting to the evolving demands of the construction industry.

Transformational leaders recognize that each employee has unique strengths and weaknesses. They provide personalized support and mentorship to help individuals grow and develop their skills. By addressing the individual needs of employees,

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transformational leaders can cultivate a more engaged and productive workforce.

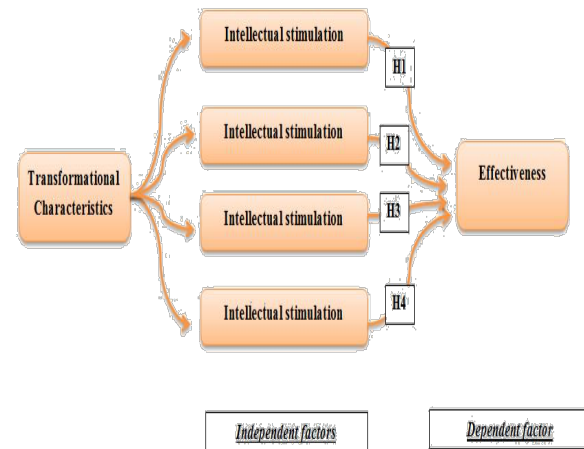
In conclusion, transformational leadership offers a powerful framework for improving organizational effectiveness, particularly in industries like construction, where competition is intense, and resources are constrained. By adopting the four key traits of transformational leadership, managers can go beyond mere task management to become true leaders who inspire, motivate.

II. THEORETICAL BACKGROUND

Literature Review

Considering increasing competition and high consumer demand, as well as limited resources and abilities, service providers are seeking to improve their efficiency in their respective fields (Samson and Lema, 2005). Every manager in the organization should be able to perform the role of leader. Managers commonly make the error of believing that they are not just managing, but also effectively leading a group of people toward a similar organizational purpose or set of objectives. In practice, however, the manager's role is seen as only a title rather than a leadership position. To be a great leader in the workplace, a manager must be able to positively and successfully influence employees in order to attain individual and organizational goals. In addition, the transformational leadership style may assist in the development of exceptional leaders. The phrase "transformational leadership" refers to a style of leadership that leads to positive societal development. It improves the morale, motivation, and productivity of those who are following you. In this study, which highlights the transformational leadership style, the four elements of transformational leadership and their relationship to effectiveness are examined.

Conceptual Framework



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.

III. RESEARCH METHODOLOGY

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

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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. **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 Ottawa according to Ottawa 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.

IV. 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

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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

Factors	Intellectual stimulation	Individualized consideration	Idealized influence	Inspirational motivation
effectiveness	.746**	.734**	.929**	.422**
	.000	.000	.000	.000
	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

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$=.734^{**}$ 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-Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(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

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.

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 Ottawa.

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