

# **A Study to Explore the Joint Consequences of Transformational Leadership and Perceived Organizational Support**

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## **ABSTRACT**

Synthesizing leadership, social exchange, and creativity theories, this study proposed and examined a model linking transformational leadership and perceived organizational support with employee creativity and performance. Data from 728 employee–supervisor dyads underwent Structural Equation Modeling (SEM) analyses, and the results indicated that both transformational leadership and perceived organizational support were significantly and positively related to employee creativity and performance. The theoretical and practical implications of these findings are discussed.

**Keywords:** transformational leadership, perceived organizational support, creativity, performance

## **Transformational leadership, creativity and performance**

Leadership is one of the most important contextual factors at work with regard to employee attitudes and behaviors [16]. Among various styles of leadership, increasing attention has been paid to the influences of leaders with transformational leadership [1, 3, 5, 7, 17]. The meaning of transformational leadership was defined by Bass [17] using four dimensions: *inspirational motivation*, *idealized influence or charisma*, *individualized consideration*, and *intellectual stimulation*. In addition, creativity is the production of useful and novel ideas from creative persons, and has been widely recognized as a vital ingredient of organizational effectiveness [11, 16]. According to Amabile's [4] componential theory of creativity, the individual factors that influence employee creativity are expertise, creativity skills and intrinsic motivation. Among these, intrinsic motivation is based on an employee's sense of enjoyment, curiosity, and involvement regarding his or her work, and individuals with high intrinsic motivation have a high tendency to obtain and apply the new knowledge and skills needed at their work [4, 18]. Following these perspectives, transformational leaders inspire followers' intrinsic motivation by self-reinforcement [7, 17], and thus help employees to achieve organizational goals with novel ideas as well as high quality job performance [3, 5]. Accordingly, transformational leadership is a vital environmental feature for individual creativity and work performance. For example, Shin and Zhou [3] found transformational leadership has a positive relation with subordinate creativity based on a sample of 290 employees. In addition, Dvir et al. [19] carried out a longitudinal experiment and proposed that transformational leadership has a positive influence on direct subordinates' development and work performance. As a number of prior studies have support the existence of positive relationships between leaders' transformational leadership and followers' creativity and work performance, we thus propose the following hypotheses:

*Hypothesis 1. Transformational leadership is positively related to employee creativity.*

*Hypothesis 2. Transformational leadership is positively related to employee performance.*

### **Perceived organizational support, creativity and performance**

Blau [20] proposed social exchange theory and suggested that high quality exchange relationships are symbols of mutual trust and support between the parties concerned. Following this perspective, Eisenberger et al. [8] conceptualized the definition of perceived organizational support as being when employees believe that their organizations care about them and value their contributions, and suggested that perceived organizational support can be associated with employee work attitude and behavior such as diligence, commitment, and creative performance. In other words, as employees feel they are valued by their organizations, the failure of implement these novel ideas can be reduced and the effective of high performance can also be achieved. Since it is hard to change existing system with innovative approach, employees will only express their creativity and performance if they recognize that management systems present allowance, welcome, and acceptance of their meaningful efforts in organizations [15, 21]. Thus, employees' perception of organizational support is the key driver of their enhanced creativity and performance, and enabling them to provide better processes, products, and strategies at work. For instance, Zhou and George [15] found that perceived organizational support has a positive relationship with employee creativity in a sample of 149 employees. Rich et al. [22] also revealed that perceived organizational support has positive influences on job performance and organizational citizenship behavior based on a study of 245 firefighters. Based on these work, we thus propose the following hypotheses:

*Hypothesis 3. Perceived organizational support is positively related to employee creativity.*

*Hypothesis 4. Perceived organizational support is positively related to employee performance.*

## **METHODS**

### **Participants and Procedures**

Prior to the process of data collection, back translation was carried out to ensure the quality of the translation of the questionnaire [41]. We had one bilingual professor helped to translate all the items in the questionnaire from English to Chinese, and these were then translated back to English with the help of another bilingual professor. We then collected data from a large high-tech company in Taiwan. The respondents were drawn from all functional areas of the organization, and included engineers, front line operators, research and development (R&D) personnel, human resource workers, and marketing staff. The data were collected from multiple sources: the leaders and their subordinates. Each supervisor rated their subordinates' creativity and performance at work, while each employee completed a questionnaire about his or her perceptions of transformational leadership and perceived organizational support, as well as their demographic details. Moreover, we also visited the company several times before designing the questionnaire, and met with management teams to discuss the job descriptions used at the firm, and this helped the resulting instrument to better gather the genuine attitudes and behaviors of employees. We distributed 900 questionnaires and 728 completed ones were returned from 116 teams giving a response rate of 80.89 percent (each team had 3 to 20 members, with an average size of 6.28). The employees' average age was 37.95 (ranging from 25 to 65), the employees' average tenure in this company was 7.32 years (ranging from 1 to 25 years), and there were 379 men (52.06%) and 349 women (47.94%) in our sample. Most of the employees had received college or university education (82%), with only 3.3% of employees having only high school diplomas.

### **Measures**

***Transformational leadership.*** Transformational leadership was measured with 20 items from the Multifactor Leadership Questionnaire (MLQ) Form 5X-Short [6]. Subordinates indicated

their degree of disagreement or agreement with a number of statements using a seven-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (7). Sample items for the four components in the survey are as follows: intellectual stimulation (e.g., "My leader looks for different points of view when they solve problems"), idealized influence (e.g., "My leader talks to us about the importance of values and ethics in the organization"), individualized consideration (e.g., "My leader spends time on coaching and teaching me"), and inspirational motivation (e.g., "My leader stresses the importance of having a general sense of achieving our missions"). We deleted four items with low factor loadings in the exploratory factor analysis. Confirmatory factor analysis (CFA) was then conducted to measure the fit indices of this construct, and the results demonstrated that our proposed model, with four first order factors (intellectual stimulation, idealized influence, individualized consideration, and inspirational motivation) and a second order factor (transformational leadership), fitted well within an acceptable range ( $\chi^2 = 387.32$ ,  $df = 100$ ,  $GFI = .94$ ,  $NFI = .96$ ,  $IFI = .97$ ,  $CFI = .97$ , and  $SRMR = .02$ ). In addition, the overall Cronbach's alpha was equal to .95 ( $\alpha > .70$ ) indicating satisfactory reliability.

***Perceived organizational support.*** We used the short version of the Survey of Perceived Organizational Support [8] to measure employees' perception organizational support with four items. A seven-point Likert scale was used, ranging from "strongly disagree" (1) to "strongly agree" (7), to gather employee perceived organizational support. Sample items are "My organization values my contributions," and "My organization provides help when I have a problem." The results of the CFA analysis indicated a satisfactory fit ( $\chi^2 = 82.99$ ,  $df = 2$ ,  $GFI = .95$ ,  $NFI = .93$ ,  $IFI = .93$ ,  $CFI = .93$ , and  $SRMR = .07$ ), and the Cronbach's alpha was equal to .82 ( $\alpha > .70$ ) demonstrating good internal consistency and reliability.

***Creativity.*** We measured individual creativity with 13 items from Zhou and George [15]. Leaders rated each employees' creativity with a five-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (5). Sample items are "This employee is a good

source of creative ideas” and “This employee always suggests new ways to achieve objectives and goals.” CFA was conducted to estimate the fit indices and validity of this construct, and the results demonstrated that the model fitted well within an acceptable range ( $\chi^2 = 497.26$ ,  $df = 65$ ,  $GFI = .89$ ,  $NFI = .92$ ,  $IFI = .93$ ,  $CFI = .93$ , and  $SRMR = .04$ ). In addition, the Cronbach’s alpha was equal to .94 ( $\alpha > .70$ ) demonstrating good reliability.

**Performance.** Performance was measured with five items developed and validated by Mackenzie et al. [42]. Leaders rated each subordinates’ performance using a five-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (5). Sample items are “This employee meets all the formal performance requirements of his/her job” and “This employee always completes the duties in the job description.” The CFA results demonstrated the good fit of the indices for this construct ( $\chi^2 = 27.67$ ,  $df = 5$ ,  $GFI = .99$ ,  $NFI = .97$ ,  $IFI = .98$ ,  $CFI = .98$ , and  $SRMR = .03$ ), and the Cronbach’s alpha was equal to .73 ( $\alpha > .70$ ), showing acceptable internal consistency and reliability.

## Analysis Strategy

Structural equation modeling (SEM) was used to examine the overall model fit using maximum-likelihood estimation, with the aid of AMOS 17.0 [43]. In addition, the fit indices of the chi-square ( $\chi^2$ ) value, degrees of freedom ( $df$ ),  $\chi^2/df$  value, comparative fix index (CFI), goodness-of-fit index (GFI), Bollen's incremental fit index (IFI), Bentler-Bonett normed fit index (NFI), and the standardized root mean square residual (SRMR) were all used to test the overall model fit.

**Table 1**  
Fit indices

| Fit indices      | Model value | Reference value | Overall model fit |
|------------------|-------------|-----------------|-------------------|
| $\chi^2/df$      | 3.56        | <5.00           | Yes               |
| CFI              | 0.99        | >0.90           | Yes               |
| GFI              | 0.98        | >0.90           | Yes               |
| IFI              | 0.99        | >0.90           | Yes               |
| NFI              | 0.99        | >0.90           | Yes               |
| Standardized RMR | 0.01        | <0.05           | Yes               |

## RESULTS

Table 2 provides the means, standard deviations, correlations, and reliabilities for the variables used in this study.

**Table 2**

Means, standard deviations, reliabilities, and correlations a variables

|                           | Mean | S.D. | 1      | 2      | 3      | 4     | 5     | 6     | 8     | 9 |
|---------------------------|------|------|--------|--------|--------|-------|-------|-------|-------|---|
| 1. Age <sup>b</sup>       | 2.53 | .62  | -      |        |        |       |       |       |       |   |
| 2. Tenure <sup>c</sup>    | 1.83 | .80  | .55**  | -      |        |       |       |       |       |   |
| 3. Gender <sup>d</sup>    | 1.48 | .36  | -.16** | .00    | -      |       |       |       |       |   |
| 4. Education <sup>e</sup> | 2.17 | .42  | -.11** | -.22** | -.26** | -     |       |       |       |   |
| 5. TRL                    | 5.57 | .65  | .09*   | .08*   | .03    | -.05  | -     |       |       |   |
| 6. POS                    | 5.45 | .72  | .09*   | .12**  | .02    | -.04  | .75** | -     |       |   |
| 8. CRE                    | 3.76 | .43  | -.01   | -.03   | .04    | .12** | .18** | .11** | -     |   |
| 9. PER                    | 3.82 | .42  | .00    | -.08*  | .04    | .11** | .12** | .09*  | .66** | - |

Note: N = 728, \* p < .05; \*\* p < .01

We tested Hypotheses 1 through 4 using SEM analyses. First, Hypothesis 1 proposes that transformational leadership is positively related to employee creativity. Table 2 reveals that transformational leadership has a positive and significant relationship with creativity ( $r = .18$ ,  $p < .01$ ). Consequently, Hypothesis 1 is supported. Moreover, as predicted in Hypotheses 2 through 4, transformational leadership has a positive relation with employee performance ( $r = .12$ ,  $p < .01$ ), perceived organizational support has a positive relation with employee creativity ( $r = .11$ ,  $p < .01$ ), and perceived organizational support has a positive relation with employee performance ( $r = .09$ ,  $p < .05$ ). Therefore, Hypotheses 2, 3, and 4 are also supported.

## DISCUSSION

This study was undertaken in an effort to synthesize leadership, social exchange, and creativity theories by examining the hypothetical and empirical links among transformational leadership, perceived organizational support, creativity, and performance. Prior studies of

both transformational leadership and employee perceived organizational support found direct links with employee creativity and performance [3, 5, 9, 12]. Most important of all, this study extends the findings of previous works, which were mostly carried out in Western contexts, as it was conducted based on data from Taiwanese employees. The results of this work show that transformational leaders can improve employees' intrinsic motivation by affecting their basic values, beliefs, and attitudes, which all contribute to the achievement of organizational goals and the enhancement of individual creativity and performance [4-7]. Since creativity has been widely recognized as an important ingredient for organizational effectiveness [11, 16], these high motivated employees influenced by transformational leaders tend to obtain and apply novel knowledge and skills needed at their work as well as have better job performance [4, 18].

In addition, as discussed above, Eisenberger et al. [8] defined perceived organizational support as employees' perception that their organizations care about them and value their contributions, and such support has positive relation with enhanced employee work attitudes and behaviors. Our empirical results reveal that organizations can demonstrate their support for employee creativity and performance by the use of encouragement, reward, respect, and other forms of recognition. That is, if employees perceive they are valued by their organizations, then they are more likely to successfully implement novel ideas, and thus have greater work performance [15]. Therefore, employees' perceived organizational support is a key source of their enhanced creativity and performance at work, encouraging them to provide better processes, products, and strategies for their organizations.

### **Limitations and Future Research**

In considering the findings and implications of this study, a number of limitations should be recognized. First of all, although our findings are consistent with prior studies and the theoretical predictions, we can only make inferences but cannot confidently determine the



causality among these variables because of the cross-sectional design of this work. We thus suggest that future studies can track changes in transformational leadership and perceived organizational support over time to strengthen the results of this study by carrying out longitudinal research in organizational settings. Another limitation of this work is that the use of self-report data has the potential for being influenced by common method variance [45]. However, the data on employee creativity and performance were obtained from supervisors' ratings, and thus are relatively unbiased, and the CFA results also showed that the proposed five-factor model had better fit to the data compared to the other models examined in this work based on the chi-squared difference tests, all of which help to reduce concerns about common method variance. We also suggest that future studies should use proxies obtained from organizational databases over a period of time to determine employee creativity and performance from a broader research perspective and with fewer common method variance concerns. Finally, this work did not attempt to find empirical evidence to support whether or not supervisors with different leadership styles are also able to promote employees' creativity and performance. Future studies could explore the joint influences of other leadership styles, along with transformational leadership, and work to clarify this issue.

## **References**

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