

Full Length Research Paper

Comparing transformational leadership in successful and unsuccessful companies

Gholamreza Jandaghi, Hasan Zarei Matin and Ali Farjami

Faculty of Management, University of Tehran, Qom Campus, Tehran, Iran.

Accepted 15 June, 2009

In this article, while it is attempted to describe the problem and its importance, transformational leadership is studied by considering leadership theories. Issues such as the definition of transformational leadership and its aspects are compared on the basis of the ideas of various connoisseurs and then it (transformational leadership) is examined in successful and unsuccessful companies. According to the methodology, the method of research, hypotheses, population and statistical sample are investigated and research findings are analyzed by using descriptive and inferential statistical methods in the framework of analytical tables. Finally, our conclusion is provided by considering the results of statistical tests. The final result shows that transformational leadership is significantly higher in successful companies than unsuccessful ones $P < 0.0001$).

Key words: Idealized influence, individualized considerations, inspirational motivation, intellectual stimulation, transformational leadership, Iran.

INTRODUCTION

Leadership is an issue drawn by researchers since old times. Because of their unique traits, leaders influence the organization and society overall. In the organizations, transformational leaders could be a competitive advantage to increase the efficacy and performance of such organizations. These organizations have to pose some changes in order to adopt themselves with environment. These changes could be occurred in areas such as human resources, aims, strategies, structures, etc. Some-times, the need to radical and fundamental changes is felt in the organizations. It should be noted that radical changes are not only prescribe to treat internal problems but also this approach could be applicable for successful organizations in order to achieve higher performance and using present and future environmental chances is effective and inspirational. Empirical evidence has consistently demonstrated that transformational leadership could produce positive results such as leadership effectiveness, development of organizational citizenship behavior, follower commitment to the leader and the organization, as well as follower satisfaction on the job (Bass and Avolio, 1994; Pillai et al., 1999; Gilespie and Mann, 2004; Rowold and Heinritz, 2007). But, at the same time, both

researchers and practitioners have continued to lament that very little data exist on the actual processes and mechanisms through which this leadership model impacts positively on outcomes (Avolio et al., 2004; Zhu, Chew and Spangler, 2005).

The effective role of managers and leaders in radical changes and transformations is unavoidable in the organizations. Leadership and management are not identical. To influence over others, management is depended on formal power while leadership is resulted from a social influence process. Leaders may change and develop organizational culture. In other words they make cultures and their fundamental role is affecting others (Morgan, 1999). Transformational leaders try to make changes that increase organizational efficacy and performance. These are changes that cause higher aim and expectations to the organization. One of the results of transformational leaders is organizational performance improvement. Transformational leader provides a ground for long-term organizational changes which facilitate the access of organizational system to higher objectives. Regarding the necessity of making fundamental changes in the organizations and the effective role of organizational leadership and management in such changes, it is necessary to do some researches in this field. Owing to the fact that transformational leadership is, *inter alia*, a new applied theory in organizational behavior and has achieved to

*Corresponding author's E-mail: jandaghi@ut.ac.ir.

valuable results in those organizations that have utilized it so far, in this research, the researcher tries to explain the situation of transformational leadership in successful and less successful organizations. It is noteworthy that the radical model in this research is Bernard Bass's transformational leadership model. Ngodo (2008) set out to design a testable hypothesized model linking transformational leadership through the possible mediating influences of procedural justice and trust to the personal attitudes and behaviors in organizations, specifically organizational citizenship behavior, organizational commitment and job satisfaction.

TRANSFORMATIONAL LEADERSHIP

The initial concept of transformational leadership was provided by Burns in his researches about political leaders. According to Burns, transformational leadership is a process in which leaders and followers promote each other to higher levels of morality and motivation. Transformational leaders help their followers to look at old problems via a new perspective. They stimulate their followers to attempt higher than usual levels. Transformational leaders inspire their followers to think more than their own aims and interests and to focus on greater team, organizational, national and global objectives. By providing future perspective, such leaders influence over their followers in a manner that they assume that perspective as their own aim and show high efforts to achieve it. These leaders are able to move the organization toward the ideal perspective by coordinating the employees and integrating all system components (Cacioppe, 1997). Transformational leaders are referred to those ones who try to show the organizations a new route for improvement and progress by generating new ideas and perspectives. They also mobilize the organization by motivating managers, employees and members of the organizations to radical changes, transforming organizational pillars to achieve necessary readiness and capabilities to move in this new route as well as achieving higher levels of idealized performance (Sanjaghi, 2000). Many authors (House and Baetz, 1990; House and Podsakoff, 1996) have shown that transformational leaders demonstrate symbolic and meaningful leadership behaviors such as emphasizing the importance of a task, advocating ideological values and articulating a great vision. The theory of transformational leadership, therefore, is concerned with values, ethics, standards, opinions and long-term goals of people or group (Bass, 1985). In both theoretical and empirical literature, there has been evidence that these activities necessarily make organizations more effective (Bass, 1997; Dvir et al., 2002; Zhu et al., 2005).

Transformational leaders increase their followers' creativity, motivation and spirituality while transactional leaders address to personal and future interests of their followers. Transformational leaders emphasize on what

you can do for your country while transactional leaders focus on what the country can do for you (Ozgoli, 2004). Transformational leaders change their followers, empower them to develop and create new needs, tendencies and values because that their requirements are met. Therefore, the followers may grow, develop and change to leaders (Barker, 1992). Transformational leaders are facing with values, ethics, standards and long-term aims and focus on their followers' performance and development in order to increase their capabilities. Often, transformational leaders have strong internal ideals and values (Northouse, 2001).

Burns (1978) emphasizes that transformational leaders have a vision and challenge others to do extraordinary works. He believes that transformational leaders are able to draw new necessary routes for modern organizations because that they are the source of changes. In other word, transformational leaders have complete influence over organizational changes. This kind of leadership can draw a clearer and better picture for future, define its vision for employees more effectively and the employees will accept their vision as a fact interestingly.

In 1985 and following to Burns' studies, Bass introduced a model of leadership that prescribed transactional and transformational leaderships for organizational stability and transformation respectively. In 1996, Bass and Avolio expanded this model, defined the aspects of transactional and transformational leadership and even operationalized it in questionnaire called "Multifactor Leadership Questionnaire (MLQ)." In this model, the aspects of transformational leadership include idealized influence, intellectual stimulation, inspirational motivation and individualized considerations. The aspects of transactional leadership include conditional incentives and exception-based management. In this study, the researcher has used this model.

In 1978, Burns provided a description of transactional leadership on the basis of a changing profitable relation between leader and follower. Transactional leaders influence over their followers by incentives or punishments according to their performance. Transformational leadership is a dynamic and complicated process in which the leaders influence over followers' values, beliefs and aims. Changes in followers' behaviors cause changes in leaders' behaviors. Burns believed that transactional transformational leaderships are two separated points in leadership styles continuum (Moghali 2002).

Bass believes that transformational leadership model is applicable in a universality manner which encourages the followers to neglect individual interests for group or organizational interests and stimulates them to work more than usual. Transformational leaders create an extraordinary motivation by confirming the employees' ideas and values and inspiring them to think about various problems by utilizing modern methods. Transformational leaders change the society by their own words and behaviors. Their followers have a feeling of respect, dignity and

loyalty toward them. The influence of transformational leaders is based on their capabilities to inspire others through their words, conversation, insight and initiatives. Transformational leadership occurs when leaders improve their employees' interests toward themselves. The leaders create the awareness and acceptance of aims and mission of the group.

Bass believes that transformational leadership influences over followers' traits and behavior. Transformational leadership is a process in which the leader determines the followers' needs and demands as well as meeting such needs through a comprehensive effort in achieving determined aims. Transactional process addresses needs and demands to perform the tasks (Bass and Avolio, 1993).

THE FACTORS OF TRANSFORMATIONAL LEADERSHIP

Bass (1985, 1995) and Bass and Avolio (1991, 1997) conceptualized the transformational leadership model as having four components: idealized influence, inspirational motivation, intellectual stimulation and individualized consideration.

Charisma (idealized influence)

Charismatic leadership is a component of transformational leadership and idealized influence includes idealized traits and idealized behaviors. Inspiring the honor and proud to followers and their contribution to group interests are, *inter alia*, most obvious idealized characteristics of a leader. Followers' exaltation, dignity, respect and unquestioned obedience transmit an idealized feeling. Talking about the most important values and a strong feeling to aims as well as spiritual and moral results of decisions is among idealized behaviors indicators. Idealized influence causes that leader be a behavioral model for followers. Idealized influence from a leader functions to transform followers by creating changes in their goals, values, needs, beliefs, and aspirations (Rowold and Heinitz 2007; Yukl, 2002).

Idealized influence shows the capability of trust making and understanding the leadership by followers. It is a radical factor in accepting changes in the organization. Without such trust and braveness, any effort to conduct the organization in order to achieve its aims will be fruitless. A man can lead others when they are ready to be led by him/her. Others will believe and appreciate such person if he/she performs his/her duties well (potential followers). In other words, a man is a leader when he has idealized influence and has expressed it to their own followers. Basically, the followers will try to obey the leaders because of their idealized influence. However, the most successful leaders are achieving to a high level of trust and understanding because that followers mitigate them. Leaders with idealized influence are respected

and trusted persons. Followers recognize themselves via him/her and try to mitigate him/her. Such leaders "perform right works" and possess high human and moral behaviors. Such leaders are not using their leadership power and capacity to achieve personal aims. They try to achieve organizational objectives by conducting and guiding their followers. Charisma explains those individuals who are special and stimulates others to follow their own perspectives (Northouse, 2001).

Inspirational motivation

Inspirational motivation is one of the capabilities of transformational leadership that introduces the leader as a figure who encourages the followers to suitable behaviors inspirationally. When transformational changes should be posed in the organization, the leader shall encourage the followers to accept new belief and idea (change) continuously. Therefore, transformational leaders should behave in a special way and stimulate their followers. Implicitly, such behavior shows the tendency and optimistic and encourages team working. Inspirational motivation is another component of transformational leadership as conceptualized by Bass (1985) and Bass and Avolio (1991, 1997). Inspirational motivation is a process through which the transformational leader motivates his or her followers to become committed to and a part of the shared vision in the organization.

Senge (1990) believes that inspiration is the basis of motivation. It is this kind of motivation that stimulates the followers' commitment to perform organizational aims. Actually, in inspirational motivation, leaders create a shared insight for followers. The individuals learn when there is a factual vision not because the leaders tell them but because they themselves like to do that and not because that the leaders command them but because that they themselves want to act in this manner. This insight is higher than needs hierarchy levels and is inspired among followers by stimulating a shared insight of organizational aims. Generally, inspirational motivation consists of:

1. Optimistic speaking of future.
2. Enthusiastic speaking about what needed to be done.
3. Expressing an attractive perspective of future.
4. Stating the confidence to the fact that the aims will be met.
5. Drawing an excited picture of what should be considered.
6. Taking up challenging problems (Moghali, 2002).

Intellectual stimulation

Intellectual stimulation is one of the capabilities of transformational leaders which play an important role in diversifying process of the organizations (change). Transformational leaders try to encourage their followers to creativity and innovation. Such leaders encourage

changing in thinking methods about problem solving and use metaphors and examples. Therefore, they may use new and creative ideas to resolve the problems. Intellectual stimulation is a process through which the transformational leader stimulates followers intellectually. The leader may do this by engaging in activities that stimulate followers to be creative and innovative and challenge their own beliefs and values, including those of the leader and the organization.

Bass believes that intellectual motivation is a driving force that stimulates the followers to think about beliefs and values as well as being aware of problems and their resolutions. In this line, transformational leadership promotes the followers' capabilities to understand the organizational nature and difficulties. What is considered here more is paying further attention to creative and developed ideas rather than rapid reactions. The leader creates a challenge for followers in order that they think about what they are doing. Also, this factor is recognized as a tool to generate learning organization.

Overall, intellectual stimulation consists of:

1. Reinvestigating basic assumptions and questioning them.
2. Looking for various perspectives when resolving the problems.
3. Enforcing others to look at the problem from different views.
4. Encouraging nontraditional thinking to address traditional problems.
5. Encouraging revising the ideas that are not questioned yet (Moghali, 2002).

Individualized consideration

Individualized consideration is another characteristic of transformational leadership. Paying attention to others is one of the most important aspects of transformational leadership. Individuals are supported by leaders and leaders are concerned about their personal feelings and needs (Podsakoff et al., 1990).

Transformational leaders help their subordinates in fulfilling their potential talents and increasing their responsibilities in the organization. Transformational leaders differ from transactional leaders in diagnosing the needs because that transactional leader tries to meet lower needs than higher needs such as development and maturity.

Overall, individualized consideration consists of:

1. Spending time in teaching and coaching.
2. Behaving others as persons not just group members.
3. Paying attention to others as persons who are the owner of different needs, capabilities, dreams and wishes.
4. Helping others to develop and grow their own capabilities.
5. Listening to others demands and interests.
6. Developing individuality and facilitating individuals'

growth (Moghali, 2002).

Effective utilization of transformational leaders' skills will indicate following traits of these leaders:

- i. Creativity.
- ii. Team-orientation.
- iii. Appreciation of others.
- iv. Teaching (learning).
- v. Responsibility.

Individualized consideration, the final component of transformational leadership as described by Bass (1985) and Bass and Avolio (1991, 1997), the transformational leader provides supportive climate in which the individual group member is carefully listened to. This makes it possible to pay particular attention to the individual member's particular needs.

Transactional leadership

According to Burns, transactional leadership is a kind of leadership based on transacts between leader and follower in a way that mutual personal tendencies are met. In other way, he believes that in this school, anything is observed from what persons are gaining and the relationship between leader and follower is profit-oriented and based on exchanging one thing to other thing. Transactional leadership points out the relation between leader and follower to provide their personal interests. This approach to leadership emphasizes on the importance of relations between leader and follower as well mutual advantages that are generated via a contract. Based on this contract, leader grants followers the incentives and cognition in lieu of their commitment and loyalty (Robbins, 2003).

Burns believes that transactional leadership is the common leadership style in the organizations which consists of exchanging the stimulations and incentives by leaders to attract the support of followers. The aim of such leaders is to agree about some actions that will meet separated and immediate aims of both leaders and followers.

On the other hand, the aim of transformational leadership is more than meeting immediate needs. According to Burns, transformational leaders are looking for followers' potential motivations. The distinguished trait of transformational leaders is a common and shared objective. This objective links leaders and followers. Burns believes that transformational leadership is mainly superior to transactional leadership. He believes that transformational leadership is motivational, supreme and ethical in which human behavior and leaders/followers' ethical tendencies will grow up.

On the other hand, transactional leadership with its own static traits will cause the self-attraction and controlling over subordinates. It tries to meet follower's lower needs. Transformational leadership tries to satisfy Maslow high

needs hierarchy.

Non-interference leadership

It means the freedom of followers in time of leader's absent or avoiding leading others. It is considered as the most static style of leadership. In front of transactional leadership, non-interference indicates non-transactional and undifferentiated situation. Studies (Bass, 1997; Dumdum et al., 2002; Judge and Piccolo, 2004; Lowe, Kroeck and Sivasubramaniam, 1996) have consistently supported the positive effects of transformational leadership on several organizational and individual outcomes, including organizational citizenship behavior, organizational commitment and job satisfaction.

RESEARCH METHODOLOGY

The main aim of the research is to compare transformational leadership in successful and less successful companies at Qom's molding industry. Its sub-aims include:

1. Studying the characteristics of idealized influence in successful and less successful companies at molding industry.
2. Studying the characteristics of intellectual stimulation in successful and less successful companies at molding industry.
3. Studying the characteristics of inspirational motivation in successful and less successful companies at molding industry.
4. Studying the characteristics of individualized consideration in successful and less successful companies at molding industry.
5. Ranking transformational leadership factors in successful and less successful companies at molding industry.

Type and method of the research

Regarding the aim, this research is applied one. The plan of the research is descriptive –type survey. It is descriptive because that it draws a picture of current situation and is a survey because that tries to collect the data of statistical population via questionnaire.

Statistical population and sample

In this research, the statistical population includes the managers and employees of private manufacturing companies in Qom's molding industry. Therefore, the personnel of these companies are considered as statistical population. There were about 700 employees working in these companies. To select successful and less successful companies, the suggestions and ideas of Industries and Mines Organization's experts who have complete information about the performance of these companies were utilized. It should be noted that successfulness or less successfulness of these companies were announced by Industries and Mines Organization according to their performance in recent three years (2003-2006).

Sampling method and sample size

Stratified sampling was used in this research for organizations on the basis of the number of staff with high school or higher level educations. Inside the organizations, random sampling was used for final selection after determining the share of each organization based on considered limitations.

To determine the sample size, following formula was used. This formula is taken from Cochran (1977):

$$n = \frac{\frac{Z_{\alpha} + Z_{1-\beta}}{2}}{d^2}$$
$$\alpha = 0.05 \quad d = \frac{\mu_1 - \mu_2}{\sigma} \quad \beta = 0.10$$

Owing to the fact that the sample variance was 125 which obtained from a pilot, total sample size was 68 persons. Regarding the possibility of non-returning the questionnaires, sample amount was considered 80 persons.

Thematic domain of research

Research domain is organizational behavior studies and new leadership theories.

Time domain of research

Initial studies were begun in spring 2006 and then background studies were continued. In spring 2007, field studies as well as collecting and analyzing the data were come to an end.

Place domain of research

This research was done in Iran at Qom province and in private organizations of molding industry.

Research tools

The Multifactor Leadership Questionnaire (MLQ) was used to assess the leadership scores. The MLQ has excellent validity and reliability and has been used extensively worldwide. It has been shown to be strongly predictive of leader performance across a broad range of organizations (Bass, 1997).

Data analysis methods

After data collection via questionnaires, obtained data were analyzed by SPSS (Statistical Program in Social Sciences) software.

1. Descriptive statistics such as means, percentages, standard deviation, tables and graphs.
2. T-test to test the differences between successful and less successful organizations with regard to transformational leadership factors.
3. Freedman ranking test for transformational leadership factors in successful and unsuccessful organizations.

ANALYSIS FINDINGS

The Descriptive Statistics of the sample are shown in Table 1. According to Table 2, the mean of transformational leadership in successful and unsuccessful

Table 1. Descriptive Statistics for Sample individuals.

	Variable	Frequency	Percentage
Sex	Female	4	5
	Male	76	95
Education	High School or less	52	65
	University Graduate	28	35
Age Group	<=25	11	13.8
	26-30	30	37.5
	31-35	23	28.8
	36-40	11	13.8
	41-45	5	6.3
	Total		80

organizations is 3.33 and 2.81 respectively. Table 2 shows that in successful companies, the mean, median and mode of transformational leadership are above 3. It indicates that successful organizations possess more transformational leadership traits. Among transformational leadership aspects in successful organizations, inspirational motivation and individualized consideration have the highest and lowest mean respectively (Table 3). So, one can say that managers shall try to enforce individualized consideration traits.

According to Table 4 regarding descriptive statistics of transformational leadership aspects in unsuccessful, we can observe that in these organizations, all transformational leadership aspects have lower mean than successful ones. Except that inspirational motivation, other aspects are under 3. In these organizations, inspirational motivation has the highest rank with 3.13 mean followed by intellectual stimulation with 2.86 mean, inspirational motivation with 2.69 mean and idealized influence with 2.58 mean.

According to main hypothesis and research background studies, it is claimed that leadership style in successful companies is based on transformational leadership model. In other word, leaders in successful companies possess more transformational leadership traits. On this basis, testing main hypothesis will be as follow: The mean of transformational leadership aspects in successful companies is lower or equal to unsuccessful companies:

$$H_0 : \mu_1 \leq \mu_2$$

The mean of transformational leadership aspects in successful companies is higher than unsuccessful companies.

$$H_a : \mu_1 > \mu_2 .$$

By using t-test, H_0 is rejected and alternative hypothesis

is supported ($p < 0.001$) namely; the mean of transformational leadership aspects in successful companies is greater than unsuccessful ones. In other words, leaders in successful companies possess more traits of transformational leadership than unsuccessful ones (Table 5).

To test the claim that the leadership styles in successful companies is more based on idealized influence, a t-test was used (Table 6). We concluded that all four leadership styles were significantly higher in successful companies ($P < 0.0001$).

Other results

Owing to the fact that we had the data of transactional leadership, the information of this part of the questionnaire was also analyzed. On this basis, by comparing transactional leadership in both successful and less successful companies and using t-test, it was obvious that regarding transactional leadership there is no significant difference with 5% error level between successful and less successful companies. It reveals that transactional leadership is applied both communities of successful and less successful companies with this difference that in both communities the transactional leadership is too low.

Regarding non-inference leadership, it was proved that there is no significant difference between both successful and less successful companies. It had too low mean in both communities.

DISCUSSION AND CONCLUSIONS

By reviewing the mean of transformational leadership aspects in successful and less successful companies, we can understand that the mean of transformational leadership aspects in successful companies is higher than less successful ones. In this line and in successful companies, the highest and lowest mean belong to inspirational motivation (3.47) and individualized consideration (3.12) respectively. In less successful companies, the highest and lowest mean belong to inspirational motivation (3.13) and idealized influence (2.58) respectively.

By considering Table 7, we conclude that managers and employees in studied companies have good mean in inspirational motivation to other aspects. In other word, the leaders in these companies are highly active in stimulating and increasing employees' motivations. Inspirational motivation includes optimistic forethought, explaining an attractive perspective of future and expressing the confidence to the fact that all aims are achievable. It seems that the leaders in studied companies are highly paying attention to this aspect and its mean is higher than all other aspect in both categories. Overall, one can conclude that the leaders know the motivational issues of their personnel and can answer them positively by using motivational techniques individualized consideration aspect. Individualized consideration points out the leaders' allocated time to and satisfying personnel needs.

Table 2. Summary statistics for transformational leadership in successful and unsuccessful companies.

	Transformational leadership in Successful companies	Transformational leadership in Unsuccessful companies
Mean	3.33	2.81
Median	3.34	2.79
Mode	3.34	2.66
Standard Deviation	0.28	0.28

Table 3. Summary statistics for transformational leadership indicators in successful companies.

Transformational leadership aspects	Mean	Median	Mode	Standard deviation
Idealized influence	3.37	3.44	3.5	0.36
Intellectual stimulation	3.33	3.25	3	0.4
Inspirational motivation	3.47	3.5	3.5	0.46
Individualized consideration	3.12	3	3	0.36

Table 4. Summary statistics for transformation leadership indicators in unsuccessful companies.

transformational leadership aspects	Mean	Median	Mode	Standard deviation
Idealized influence	2.58	2.62	2.5	0.24
Intellectual stimulation	2.86	2.75	2.75	0.42
Inspirational motivation	3.13	3.25	2.75	0.5
Individualized consideration	2.69	2.75	3	0.4

Table 5. T-test for comparison of transformational leadership in successful and unsuccessful companies.

Transformational Leadership	N	Mean	S. E. Mean	T-test Value	df	Sig
Successful Companies	50	3.3250	0.03949	7.875	78	0.000
Unsuccessful Companies	30	2.8198	0.05027			

Table 6. T-test for comparison of transformational leadership aspects in successful and unsuccessful companies.

Transformational Leadership Aspect	Type of Company	N	Mean	S. E. Mean	T-test Value	df	Sig
Idealized influence	Successful	50	3.3700	0.05088	10.578	78	0.000
	Unsuccessful	30	2.5875	0.04369			
Inspirational motivation	Successful	50	3.4700	0.06493	3.052	78	0.003
	Unsuccessful	30	3.1333	0.09264			
Intellectual stimulation	Successful	50	3.3350	0.05662	4.959	78	0.000
	Unsuccessful	30	2.8667	0.07743			
Individualized consideration	Successful	50	3.1250	0.05163	4.970	78	0.000
	Unsuccessful	30	2.6917	0.07260			

Table 7. Comparison of transformational leadership aspects in successful and unsuccessful companies.

Aspects	Group	Mean	Median	Standard deviation
Idealized influence	Successful	3.37	3, 44	0.36
	Less successful	2.58	2, 62	0.24
Intellectual stimulation	Successful	3.33	3, 25	0.4
	Less successful	2.86	2, 75	0.42
Inspirational motivation	Successful	3.47	3, 5	0.46
	Less successful	3.13	3, 25	0.5
Individualized consideration	Successful	3.12	3	0.36
	Less successful	2.69	2, 75	0.4

What is obvious from Table 4 is that managers and leaders in successful companies are acting weakly in their personnel, training, developing the skills and general employees' empowerment which has the lowest mean among transformational leadership aspects unfortunately. In other word, leaders in successful companies should enforce this aspect and value the employees' demands and interests which are among individualized consideration.

In less successful companies, all transformational leadership aspects except than inspirational motivation have low mean. In these companies, the mean of transformational leadership show that leaders in such companies have lower transformational leadership traits. In such companies, idealized influence has the lowest mean. According to definition, idealized information means inspiring the proud and honor in employees, talking about the most important values and beliefs as well as paying attention to spirituality and morality in decision-makings. It is obvious that these factors are not implemented in less successful companies. Also, intellectual stimulation and individualized consideration have low mean in such companies. In successful companies, idealized influence and intellectual stimulation have good situation after inspirational motivation. It shows that the leaders in successful companies benefit more transformational leadership traits.

With regard to main hypothesis in which the researcher was looking for comparing the transformational leadership situation in successful and unsuccessful companies, hypothesis zero was rejected at p-value <0.001. It means that transformational leadership aspects in successful companies is higher than unsuccessful companies and the leadership style in successful companies is more based on transformational leadership. With regard to obtained results from data analysis, idealized influence, inspirational motivation, intellectual stimulation and individual consideration mean in successful companies is significantly higher than unsuccessful ones.

Regarding the statistical tables describe in detail, one can understand that in successful companies, transformational leadership aspects have high means. It leads us to the fact that more transformational leadership traits

among managers and staff will influence over organizational success and performance remarkably. The strongest implication that can be drawn from these conclusions is that transformational leadership plays a central role in the success of an organization. This calls for future research efforts to be focused more on how transformational leadership affects the outcomes in organizations. Therefore, it is proposed that our managers should be aware of transformational leadership and should apply its traits and strengths of this theory in practice. The managers will be more commitment and interested in executing organizational behavior and management course if they pass relevant training. Therefore, training and informing managers about behavioral and managerial problems by Industries and Mines Organization are necessary. Hence, at first step, managers should be aware of organizational behavioral and managerial basics. It could be easily come to practice by training sector of Industrial and Mines Organization.

Regarding the mean of transformational leadership aspects in successful companies, the lowest mean is belonged to individualized consideration. One of the main important principles of transformational leadership is to promote employees' capabilities and capacities. Those who have a high level of capabilities learn more and feel further domination. To generate self-proud, transformational leadership should play training and coaching roles. Therefore, the managers of such companies are invited to pay attention to self-efficacy and organizational performance. Talking with employees, planning tours and recreational trips, organizing short-term training courses in organizations and considering demands and personal difficulties of staff could help them to benefit this aspect effectively.

Regarding statistical table for unsuccessful companies, we observe that most aspects have low mean. So, the importance of this issue is determined here further. By comparing successful and less successful companies, one can observe that the effect of transformational leadership on organizational success and performance in undeniable. Therefore, it is suggested that managers of such firms, pay attention to transformational leadership factors quickly in order to make behavioral and structural

changes in organizational behavior and structure, to survive and to vie in a competitive environment. Therefore, the managers are strongly advised to take necessary measure in applying discussed factors and traits as soon as possible.

With regard to the mean of transformational leadership aspects in less successful companies, it is obvious that idealized influence has the lowest mean. Therefore, the managers are advised to promote themselves in this aspect by behaviors such as respecting the personnel, proud inspiration and expressing their importance for society and country. In this aspect, the factors of charismatic are concerned, that is, those traits that cause to respect leader by personnel and consider the leader as a working and behavioral pattern. One of the leaders' capabilities in this aspect is the ability of trust-making and understanding the leader by followers without which it is impossible to achieve this aspect. Therefore, managers should promote their companies to a level of leadership traits that could be accepted by their personnel as their ethical, behavioral and working pattern.

And finally regarding intellectual stimulation, managers in unsuccessful companies possess low mean. Therefore, they are proposed to take following measure in order to enhance and promote this aspect:

1. Allowing individuals to perform specialized works in order to grow their talents and creativity.
2. Enforcing them to observe the issues from different views.
3. Using suggestions in the company and valuing others' suggestions.
4. Inspiring employees' self-confidence to perform the works.

REFERENCES

- Avolio BJ, Zhu W, Koh W, Bhatia P (2004). Transformational leadership and organizational commitment: Mediating role of psychological empowerment and moderating role of structural distance. *J. Organ. Behav.* 25: 951-968.
- Barker JA (1992). *Future Edge: Discovering the New Paradigms of Success*. William Morrow and Co., New York.
- Bass BM (1985). *Leadership and performance beyond expectations*. New York: Free Press.
- Bass BM (1997). Does the Transactional-Transformational Leadership Paradigm Transcend Organisational and National Boundaries, *Am. Psychol.* 52: 2.
- Bass BM, Avolio BJ (1993). *Improving Organizational Effectiveness through Transformational Leadership*. Thousand Oaks, CA: Sage
- Bass BM, Avolio BJ (1994). *Improving organizational effectiveness through transformational leadership*. Thousand Oaks, CA: Sage.
- Burns J M (1978). *Leadership*. New York: Harper and Row.
- Cacioppe R (1997). Leadership moment by moment: *Leadersh. Organ. Dev. J.* 18(7):335-345
- Cochran G (1977). *Sampling Techniques*, 3rd Edition. John Wiley.
- Dumdum UR, Lowe KB, Avolio B (2002). A meta-analysis of transformational and transactional leadership correlates of effectiveness and satisfaction: An update and extension. In B. J. Avolio & F J Yammarino (Eds.), *Transformational and charismatic leadership: The road ahead*: 2:35-66. Oxford, England: Elsevier Science.
- Dvir T, Eden D, Avolio B, Shamir B (2002). Impact of transformational leadership on follower development and performance: A field experiment. *Acad. Manag. J.* 45:735-744.
- Gillespie N A, Mann L (2004). Transformational leadership and shared values: The building blocks of trust. *J. Manag. Psychol.*, 19(6):588-607.
- House R J, Baetz ML (1990). Leadership: Some empirical generalizations and new research directions. In L. L. Cumming & B. M. Staw (Eds.), *Leadership, participation and group behaviour*. London: JAI Press. pp. 1-84.
- House RJ, Podsakoff PM (1996). Leadership effectiveness: Past perspectives and future directions for research. In J. Greenberg (Ed.), *Organizational behaviour: The state of the science*. Hillsdale, NJ: Erlbaum. pp. 45-82
- Judge TA, Piccolo R F (2004). Transformational and transactional leadership: A metaanalytic test of their relative validity. *J. Appl. Psychol.* 89:755-768.
- Kreitner R, Kinicki A (2004). *Organizational behaviour* (6th ed.). Boston: McGraw-Hill.
- Lowe KB, Kroeck KG, Sivasubramaniam N (1996). Effectiveness correlates of transformational and transactional leadership: A meta-analytical review of the literature. *The Leadership Quarterly*, 7: 385-425.
- Moghali Ali Reza (2002), "Designing Transformational Leadership Model in Iranian Administrative Organizations, *Manag. Knowl. Vol.* 62.
- Morgan G (1999) *Images of Organization*, Sage Publication Inc. 13th Printing.
- Ngodo OE (2008). Procedural Justice and Trust: The Link in the Transformational Leadership – Organizational Outcomes Relationship. *International Journal of Leadership Studies*, 4(1):82-100
- Northouse PG (2001) *Leadership/theory and practice*, London: Sage
- Ozgoli Mohammad (2004). "Strategic Perspective Leadership", Tehran, Imam Hossein University Publications
- Podsakoff PM, MacKenzie SB, Moorman RH, Fetter R (1990). Transformational leader behaviours and their effects on their followers' trust in the leader, satisfaction and organizational citizenship behaviours. *Leadersh. Q.* 1:107-142.
- Robbins SP (2003). *Organizational Behavior*, 11th edition prentice hall.
- Rowold J, Heinitz K (2007). Transformational and charismatic leadership: Assessing the convergent, divergent and criterion validity of the MLQ and the CKS. *Leadersh. Q.* 18(2):121-133.
- Sanjaghi, Mohammad Ebrahim (2000). "The Role and Function of Cultural Factors in Transformational Leadership", *Management knowledge*, 13th year, Vol. 50.
- Senge P (1990). *The Fifth Discipline Fieldbook: Strategies and Tools for Building a Learning Organization*,. London: Random House
- Zhu W, Chew K H, Spangler W D (2005). CEO transformational leadership and organizational outcomes: The mediating role of human-capital-enhancing human resource management. *The Leadership Quarterly*, 16: 39-52.