

**TITLE:** Transformational Leadership: Exploring the Nature of the Relationship with Employee Behavior, Well-Being and Attitude

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**OBJECTIVE:** The aim of this study was to investigate the question “what is the nature of the relationship between leadership and employee outcomes?”

**METHODOLOGY:** Respondents were employees of a large Australian financial institution, of which 518 were invited to participate and 266 did (51% response rate). They completed the Leadership Practices Inventory Observer. The typical respondent was male (51%), 45-60 years old (69%), with an average of 9.1 years at this company and 15.8 years in the work force. The majority had been supervised by their manager for less than one year (63%). Respondents also provided a performance appraisal score and completed the Organizational Citizenship Behavior Scale (Williams & Anderson, 1991), Discretionary Effort (Lloyd, 2003), Minnesota Satisfaction Questionnaire (Weiss, et al. 1967), Role Ambiguity and Role Conflict scales (Rizzo et al., 1970), and Organizational Commitment Scales (Meyer & Allen, 1997). Internal reliability (Cronbach’s alpha) for the LPI was .89 for Model, .93 for Inspire, .90 for Challenge, .91 for Enable, and .93 for Encourage.

**KEY FINDINGS:** On the performance appraisal measure, respondents were categorized as superior performers (SP/13%), high achievers (HA/54%) and meeting requirements (MR/33%). Employees with an HA score rated their leaders higher than SP employees across all five leadership practices, and there were no significant differences in the leadership scores reported from ME employees and HA employees. The other relationships between measures of employee behavior (organizational citizenship, discretionary effort) and leadership were not significant.

The correlations between the five leadership practices and the measures of employee well-being (job satisfaction, role ambiguity, role conflict) and employee attitude (affective commitment, normative commitment) were all significant.

The researcher notes that company data, from other sources, indicate that “employee rating of leadership behavior is below expectations and therefore, leadership has been identified as a capability in need of development” (p. 43).

The examination of interclass correlations revealed low agreement between subordinates who rated the same manager. In addition, there were high inter-correlations between the five leadership scales.

