

TITLE: Transformational Leadership: Does it make a difference?

RESEARCHER: Sally A. Carless, Alexander J. Wearing, and Leon Mann (A)
Department of Psychology
University of Melbourne
Parkville, Victoria 3052 Australia

Presented at the 3rd Western Academy of Management International Conference,
Brisbane, July 11-13, 1994

OBJECTIVE: To allay common method variance concerns (i.e., ratings from one source) typically associated with transformational leadership research.

METHODOLOGY: Sample involved a large international financial organization: 66 district managers, 695 managers, and 1440 of their subordinates. Response rates were 100%, 78%, and 54% respectively. In addition to the LPI (Self and Observer), respondents also completed the Multifactor Leadership Questionnaire (MLQ). Reliabilities on the LPI-Self ranged between .70 and .82 and on the LPI-Observer ranged between .81 and .94. A 10-item team performance and effectiveness scale was developed ($\alpha = .87$ for managers and .90 for subordinates), and a single item was used to assess readiness to change.

KEY FINDINGS: Both the LPI and MLQ successfully discriminated between effective and ineffective leaders, as well as between managers who respond to change positively and those who respond negatively. Based upon two sets of ratings (the district manager and the subordinates), the LPI and MLQ significantly discriminated between effective and ineffective teams. Challenging and Inspiring were especially related to leader effectiveness and responsiveness to change, while Enabling and Encouraging made the most significant contributions to explaining team effectiveness.

The authors conclude: "The results of this research provide evidence that the LPI has better discriminant validity compared with the MLQ. Based on these findings, it is recommended that future empirical research is undertaken with the LPI....The findings of this research indicate that the LPI, compared to the MLQ, is a more effective discriminating instrument. In addition, there was substantial agreement between the self and other ratings on the LPI compared with the MLQ" (p. 16).