Transformational Leadership: An Analysis of Effects on Employee Well-Being

Erin Kelly-Ann Bowers

Abstract

This paper aims to determine whether or not Transformational Leadership (TL) increases the overall sense of well-being in the workplace as well as relieving stress and burnout. The question guiding the research was: does TL promote employee well-being by mitigating stress and burnout? A review of the literature was performed to gather pertinent information and increase understanding of the key concepts. Of particular interest were studies that related employee well-being to stress and burnout, as well as studies that examined the leader-employee relationship. The results of the literature review show that TL plays a significant role in mitigating stress as well as burnout and contributes positively to employee well-being. Key findings are that increased well-being decreases propensity for stress and burnout in employees; and that meaningful work, positive feedback, and motivation are vital to workplace culture. The literature supports TL and its effects in promoting well-being; however, further research should be conducted to determine impacts on other mental health symptoms such as depression, anxiety and substance abuse. Moreover, additional research focusing on which concepts of TL are the most beneficial, and how leadership training programs impact the workplace, would help deepen the understanding of the topic.

Keywords: *transformational leadership, well-being, stress, burnout, relationships*

The leader-employee relationship is comprised of many different interactions, values, and beliefs that impact daily work life. Personal leadership philosophies influence the work environment in either a positive or negative manner, depending on the strategies employed. Transformational leadership (TL) is an approach that serves to enhance employee motivation through leader role

modelling and clear articulation of the organization's vision, as well as the important roles employees play in achieving success (Daft, 2015). Leader-employee relationships lead to a multitude of positive or negative outcomes in one's career, in addition to affecting other areas of life. As employees spend large amounts of time in their workplaces, impacts on well-being in the form of stress and burnout can be immense. Poor employee well-being influences the overall success of projects and the organization as a whole. Therefore, it is vital to study the effects of leadership style on employee well-being by reviewing the relevant literature. Since TL has been noted to contribute to the success of the organization, as well as employee motivation, it could be theorized that it will also impact employee well-being (Daft, 2015). This raises the question: does TL promote employee well-being by mitigating stress and burnout?

Understanding Key Concepts

In determining whether or not TL is a helpful approach in fostering employee well-being, some key definitions should be considered. Gill, Flaschner, and Shachar (2006) defined TL as "the extent which managers motivate and encourage employees to use their own judgment and intelligence to solve problems" while also expressing appreciation for good work (p. 472). Daft (2015) stated leaders who employ TL have the ability to lead changes in the vision and culture of an organization, in addition to promoting innovation. TL provides clear communication to employees and allows them to use their knowledge and skills to determine the best approach to achieve successful outcomes. Thus, a leader who follows a TL approach would communicate a need to employees, who would then engage in a discussion about possible outcomes and work with the leader to select the approach that best fits the need and draws upon the strengths of team members. In TL, employees are viewed as active participants in work streams and the organization's journey to achieve goals that align with the common vision. This leadership method encourages a two-way feedback loop between leaders and employees to not only establish a healthy working environment, but also to help build a solution-focused approach that involves every member throughout the process.

Green, Miller, and Aarons (2013) noted that TL is characterized by four behaviours that strengthen group cohesion, increase commitment, and reward performance. These are: idealized influence, inspirational motivation, intellectual stimulation, and individual consideration (Arnold, Turner, Barling, Kelloway & McKee, 2007; Green et al., 2013). Idealized influence stems from leaders encouraging respect and trust in the work environment through modelled behaviour (Arnold et al., 2007). Inspirational motivation is achieved when leaders promote a common vision and provide meaningful work to employees. Employees are stimulated intellectually when work environments allow for free thought and creativity, while individual consideration takes into account the employee's needs to promote personal and professional development (Green et al., 2013). Allowing creativity in the workplace shows that leaders see their employees as competent and it encourages them to pursue new ideas to contribute to organizational success in meaningful ways. For example, employees may be involved in creating policy and procedures at the beginning stages of a new program, thus increasing buy-in by providing a sense of ownership over organizational outcomes. TL promotes a more positive and trusting environment that offers reinforcement to employees by encouraging them to be an active part of solution-seeking and achieving organizational success.

TL results in higher levels of well-being because employees feel they have some measure of autonomy and perceive their contributions to the process as valued. Employee well-being consists of people's feelings about themselves and the settings in which they work (van Dierendonck, Haynes, Borrill, & Stride, 2004). Stress is characterized by Gill et al. (2006) as mental and physical strain that negatively impacts productivity, effectiveness, health, and quality of work. These symptoms manifest themselves in physical, emotional and mental exhaustion, also known as burnout, as a response to chronic organizational stressors. A work environment that encourages cohesive and respectful relationships between leaders and employees is essential to well-being. TL approaches may help mitigate stress and burnout by strengthening organizational culture and encouraging leader-employee relationships as two-way relationships.

Impacts of Leadership on Employee Well-being

Several studies determined effects of the workplace on employee well-being as it relates to stress and burnout. Gill et al. (2006) stated that stress and burnout lead to decreased well-being and job dissatisfaction. Individuals with high levels of stress and burnout are more likely to experience poor health and detrimental impacts on their job performance (Green et al., 2013). If an employee is experiencing physical health issues, they may be absent from work and their productivity can suffer as a result. Additionally, employees who are mentally unhealthy can also see lower performance, as well as negative impacts on interpersonal relationships due to social isolation and lack of motivation. Poor employee well-being has serious organizational impacts. Nixon, Mazzola, Bauer, Krueger, and Spector (2011) reported that stress and burnout symptoms have an estimated cost of $200-$250 billion in the United States alone. Their meta-analysis noted symptoms that included not only emotional issues, but physical ones as well. Backache, headache, eye strain, sleep disturbance, dizziness, fatigue, appetite, and gastrointestinal problems "have been found to be associated with stress" (Nixon et al., 2011, p. 3). Further, interpersonal conflict in the workplace, lack of autonomy, role ambiguity, and role conflict play a part in the amount of stress experienced by employees (Nixon et al., 2011).

Literature also demonstrated a clear link between TL and positive effects on employee well-being, stress, and burnout. van Dierendonck et al. (2004) indicated that the leader-employee relationship is often one of the largest predictors of stress. It would follow, then, that TL leadership behaviours would have a clear impact on employee well-being since the relationship is a large part of the workplace social setting. Indeed, employees who work in a TL environment have higher levels of self-assurance and perceive their job to be more meaningful, which contributes to lower levels of stress (Gill et al., 2006). Green et al. (2013) indicated that TL "may help to reduce emotional exhaustion and turnover intention" by providing support and strengthening commitment (p. 374). This confirms the idea that TL builds stronger leader-employee relationships, a more cohesive work unit, and a supportive environment.

TL provides a basis for leader behaviour that mitigates stress and burnout by offering supportive strategies and strong workplace culture. Leaders who do not provide clear communication

regarding roles, who fail to provide feedback in a supportive manner, and pressure employees unfairly can expect lower levels of employee well-being (van Dierendonck et al., 2004). This approach appears to be in direct contrast with the behaviours of TL. In TL, leaders are clear about roles, provide positive feedback, and allow employees to be creative in order to accomplish goals. This role clarity and willingness to communicate increases levels of employee well-being and decreases potential for experiencing stress and burnout.

Arnold et al. (2007) stated that leaders whose philosophy encompasses TL aim for higher level relationships and motivate others to achieve more. Moreover, Arnold et al. posited that leader behaviours affect employees and that allowing for employee control, consideration, and creativity will generally promote well-being. TL approaches encourage creativity and take individual needs into consideration to promote meaningfulness to work and organizational culture by investing in strong relationships. If meaningful work is important to employee well-being, it is probable that TL lends itself to contributing to lower stress levels and burnout. This appears to be valid since Arnold et al. reported that TL is "positively associated with perceiving work as meaningful" and that noble purpose is associated with increased job satisfaction and work effort (p. 195). Noble purpose is important in motivation, as it allows employees to recognize that the work being completed makes a difference on a larger scale (Daft, 2015). Since TL strategies encompass the importance of articulating a vision, employees are motivated to achieve success because their leaders subscribe to a future that is perceived as having a positive impact. Work based in a noble purpose would likely contribute to increased well-being, as well as lower stress levels and burnout, because employees would perceive their contributions as vital to the organization's success.

Leaders who adopt TL strategies focus on vision, which enables them to see perspective for the future. TL leaders articulate goals, pathways, and desires for achievement in very clear ways that allow employees to adapt their approaches to best suit their strengths and individual needs. TL approaches, then, would promote well-being and mitigate stress, as well as burnout, because they communicate organizational goals and break down each employee's importance in achieving successful outcomes (Gill et al., 2006). Leaders who employ TL approaches continually communicate with employees and engage in regular feedback about their work and the importance

of their role to the organization's success through active contributions to solution-seeking processes and decisions. Communication using TL encourages feedback loops so that employees feed input directly into goal development and outcomes, which lends itself to a more open and trusting environment. Increased well-being through feelings of self-worth and trust, due to TL approaches, would ideally mitigate stress levels and burnout because employees feel valued. Indeed, this is the conclusion reached by Gill et al. in their study. Leaders who engage in TL behaviours can expect higher levels of well-being as well as lower levels of stress and burnout in their employees.

Further Implications

Although TL encourages behaviours that promote well-being in employees, additional research should be conducted to investigate which specific behaviours have the largest impact on mitigating stress and burnout. Further investigation of how TL approaches can be adopted to promote well-being and decrease stress or burnout in multiple work environments would be helpful in developing a deeper understanding. Additionally, the literature did not delve into other areas of mental health such as depression, anxiety, and substance abuse with any depth. These mental health concerns also contribute to overall health and well-being, and are therefore important to consider in terms of the leader-employee relationship. As such, TL should be incorporated into supervisory training programs and the effects monitored on not only additional mental health symptoms, but physical symptoms as well. In fact, Green et al. (2013) stated that employees whose leaders are undergoing TL training report higher levels of leader charisma, intellectual stimulation, idealized behaviour, and individualized consideration.

Reporting organizational impacts of TL leader-employee feedback loops may also provide further benefit to the understanding of leadership and employee well-being. Shifting to a TL approach necessitates an organizational commitment to allowing for a more two-way feedback approach that considers not only positive feedback, but critical feedback as well. Green et al. (2013) indicated that a common feature in TL leadership training includes adopting a 360-degree feedback cycle that includes both positive and critical input from a variety of sources, including self,

employees, and supervisors. This type of training requirement allows for leaders to be in a better position to receive feedback that may be critical. Furthermore, Arnold et al. (2007) stated that one of TL's hallmarks sets the stage for employees to challenge the status quo by identifying issues, and providing answers to questions as well as potential solutions. This means that organizations who consider TL methods must be open to allowing the employee to have a role in shaping the work environment through feedback loops. Employers should consider the benefits of the employee's skills and how they may be used to guide the common vision. By adopting a TL approach, leaders and employees work together to establish an environment that is based in trust and high expectations.

Green et al. (2013) noted that TL is associated with increased job performance, job satisfaction, organizational commitment, and improved organizational culture. However, adopting TL requires a paradigm shift for organizations that may be used to operating with a more hierarchal leadership structure that views employees as followers, rather than contributors to creating the common vision. Therefore, it is important to adopt TL approaches not only at an individual or team level, but at the organizational level to encourage a culture that values employee input as well as leader role modelling. Leaders and employees have a joint responsibility for two-way communication processes that establish meaningful work, which leads to contributing to outcomes that ensure the organization's goals are achieved. Since TL directly promotes the organization's overall vision, it is imperative that all levels of leadership implement methods that encourage employee participation in successful outcomes through role modelling, innovation, and skill building.

Conclusion

In reviewing the literature, it would appear that TL plays a prominent role in promoting employee well-being. There is also evidence to suggest that TL mitigates high levels of stress and burnout experienced by employees due to encouraging leadership behaviours that foster supportive and trusting environments. Creativity, individual consideration, and a clear vision that contributes to meaningful work are central to the philosophy. High levels of well-being, linked to TL methods, are associated with lower stress levels and potential employee burnout. It is vital to

understand how leadership impacts employee well-being, as the literature shows that stress and burnout are detrimental to performance and health, which leads to monetary loss. Leader-employee relationships have serious implications on the success or failure for individual teams, and the organization as a whole. Since people spend large amounts of their lives at work, having a supportive leader who provides clear, positive feedback and meaning to work is vital to health. Employees working in conjunction with a leader who values a TL approach are more likely to experience increased well-being and a more encouraging work environment.

References

Arnold, K., Turner, N., Barling, J., Kelloway, E., & McKee, M. (2007). Transformational leadership and psychological well-being: The mediating role of meaningful work. *Journal of Occupational Health Psychology*, 12(3), 193-203. doi: 10.1037/1076-8998.12.3.193

Daft, R. (2015). *The leadership experience* (6th ed.). Stamford, CT: Cengage Learning.

Gill, A., Flaschner, A., & Shachar, M. (2006). Mitigating stress and burnout by implementing transformational leadership. *International Journal of Contemporary Hospitality Management*, 18(6), 469-481. doi: 10.1108/09596110610681511

Green, A., Miller, E., & Aarons, G. (2013). Transformational leadership moderates the relationship between emotional exhaustion and turnover intention among community mental health providers. *Community Mental Health*, 49(4), 373-379. doi: 10.1007/s10597-011-9463-0

Nixon, A., Mazzola, J., Bauer, J., Krueger, J., & Spector, P. (2011). Can work make you sick? A meta-analysis of the relationships between job stressors and physical symptoms. *Work & Stress*, 25(1), 1-22. doi: 10.1080/02678373.2011.569175

van Dierendonck, D., Haynes, C., Borrill, C., & Stride, C. (2004). Leadership behavior and subordinate well-being. *Journal of Occupational Health Psychology*, 9(20), 165-175. doi: 10.1037/1076-8998.9.2.165

Erin Bowers is a graduate of the University of Alberta, with a BA in psychology and an honours graduate of MacEwan University with a diploma in social work. As an RSW, Erin has worked in the Alberta Health Services (AHS) Addiction and Mental Health portfolio where she provided addiction therapy, as well as created mental health practice considerations/processes and education. She currently works as a Quality Consultant with AHS's Integrated Quality Management portfolio where she liaises with stakeholders on projects that improve patient care in Alberta across a variety of programs

Erin has recently been nominated for the Governor General's Gold Medal Award for academic achievement and has finished the Master of Health Studies degree program at Athabasca University with high honours.