

Evaluate the Impact of Transformational Leadership Style on The Improvement Of Social Responsibility In Karaj Municipality Staff

Mohammad Mahmoodi Meymand

Associate and Member of Academic Board of University of Payam e Nour, iran

Hossein Karvar

Phd Student in MBA of Payame Nour University, iran

Abstract:

The primary aim of this study is to investigate the impact of transformational leadership style on the improvement of social responsibility in Karaj municipality staff. Two standard questionnaire were used to collect data: 1- Bass and Avolio (2000) transformational leadership standard questionnaire and 2- Jeremy Gilbreth(2010) corporate social responsibility questionnaire (2010). The independent variable in this study is the transformational style and its components and the dependent variable is the corporate social responsibility. The present study, in terms of nature is correlational - descriptive and in terms of the purpose is empirical. Statistical population included 710 participants from all employees of Karaj municipality. 235 participants out of all the population were selected as the sample of the study using Cochran formula. Kolmogorov-Smirnov test was used to detect the normality of data distribution. The significant level more than 0.05 shows normality of the society distribution and should be used parametric tests. The results show that there is a significant positive relationship between transformational leadership style and its components and corporate social responsibility. In addition, it was found that there is no relationship between intellectual stimulation and social responsibility in the organization. According to Friedman test, the highest score of mean were respectively allocated to the inspirational motivation and individual consideration, idealized influence and the intellectual stimulation.

Keywords: Transformational Leadership, corporate social responsibility, Karaj municipality.

Introduction:

The evolution path of movement from an industrial society to a knowledge society has been described by the rapid growth of intangible assets and social activities than tangible resources. The 21st century has been called by experts as the fundamental transformation century (Drakh, 2003). They believe that only organizations with managers and leaders of the efficient, change-oriented and with long-term prospects can adapt to these conditions and remain in the race. Transformational leadership is the basis and the foundation for long-term changes of organization that provides access to higher goals for organizational system. Transformational leaders are leaders who prefer the effectiveness to the efficiency and try to benefit from the organization's human resources according to the staff and themselves moods (Taboli et al., 2012). Today, organization managers have several roles in organizations that leadership is one of the most important roles; therefore, they should carry out tasks that are acceptable to society and consistent with its values. Organizations that can't adapt themselves to this important, certainly, can't align society with themselves goals. Peter Drucker, one of the most prominent experts in the management says: "All of the today's organizations including public and private in

order to maintain their legitimacy and survival in the environment, must accept that have the public and social role and responsibility as well". The social role arises from this principle: (Each individual is responsible for his own behavior and if he whether intentionally or unintentionally harm to others, must be held accountable). On the other hand, since the relationship between the roles of social, political, environmental, economic in this century is increasing, organizations are faced with new challenges and dynamics. Implementation of social responsibility in the organization level including mechanisms or effective strategies is particularly for dealing with these challenges. Today, organizations in addition to their traditional duties have been obliged to carry out other activities that the objective of these activities is to meet the expectations of society and are remembered as the corporate social responsibility.

During this period, effective management is the management that leaves itself from the range of organization ideas and thinks the community and broader environments, because organizations can't isolate themselves from society and society can't also continue without organizations (Salehi and Azari, 2010). Therefore, organizations try to obtain profit and loss that does not impose additional costs to the people. Social responsibility means that organizations have a huge impact on the social system and therefore their activities should be such that do not harm to society and in case of harming, the relevant agencies should be obligated to compensate it. In other words, organizations should not consider themselves independent of the external environment. They should be the part of a whole (external environment and the community) and their objectives and activities should be in line with the social ideals and the welfare of society. Today, municipalities are organizations that the majority of citizens deal with it in each city.

Improvement of social responsibility in the organization can play a significant role in creating prosperity and improving urban life of citizens in each city. Thus, this study seeks to answer the question whether the transformational leadership style on the improvement of social responsibility in Karaj Municipality staff is effective or not?

Literature:

The theoretical framework adopted in this study is based on Carroll's view on corporate social responsibility. Social responsibility of organizations can be regarded as the oldest concept in the field of business that practitioners and academic researchers of the business field use it more than fifty years (Taboli et al., 2012). Carroll, in a study titled "Pyramid of corporate social responsibility" has placed four categories of social responsibility for each corporate. In other words, he knows the social responsibility of each corporate, resultant of the four following components: Economic needs; Compliance with laws and regulations; Business ethics; Humanitarian responsibilities.

In the first case, corporates are obligated to satisfy the economic needs of society and provide the goods and services required it and impart the kinds of people groups from the work process. In the second case, they are obliged to respect the health and safety of workers and consumers, do not pollute the environment, refrain from transactions within the organization, do not go looking for exclusivity and do not discriminate "ethnic discrimination, sexual discrimination ...". The third component of the corporate responsibility is the business ethics. In this territory are raised principles such as honesty, equity and respect. The fourth component is the humanitarian responsibility. Carroll's other interpretation for this component is "good citizenship being". In fact, the participation of corporate in a variety of activities that cut down the society problems and improve the life quality (Carroll, 1991).

Corporate Social Responsibility:

Stewart and salmon defined social responsibility as follows: A manner of management for organizations to carry out activities that have a positive impact on society and promoting public goods. In fact, they wanted to eliminate the negative effects of organization on the society and tried to change the attitudes and behavior of consumers (Stewart and salmon, 1997). Also, Barney and Griffin defined social responsibility

as follows: Social responsibility is a duty and obligations that the organization must do to maintain and contribute to the society which operate within it.

Kettle and Mac Douglas say: Social responsibility is the including management's commitments that in addition to maintaining and expanding benefits of organization are done for the public welfare (Bozorgi, 2005).

Literature in this study can be divided into two categories: 1- In the first group, researchers analyze how social activities on the future employees. In these studies, corporate social responsibility creates the good validation for business and increases its attractiveness as good employers (Tourker, 2009). According to this classification, the corporate social responsibility increases the perceived confidence for job seeker that is without any previous interaction with the organization (Weissvesvaran, 1998). However, in the Greening and Turban (2000) research, this relationship is explained on the basis of social identity theory. They argue that corporate social performance is the indicators for future applicants. 2- In the second group, the researchers are focused on the impact of corporate social activities on the current staff. In this regard, Riverdown (1997) has argued about how to impact corporate social performance on the image, trends and intention staff. Weissvesvaran (1998) in his study has analyzed the relationship between corporate social responsibility and staff's helpful behavior. Studies show that organizational commitment comes more from experience and not the recruitment steps and selection of staff. Also, these studies show the importance of perceived organizational support toward the social responsibility in the process (Mir et al., 2002). Over the past decade, organizations from different stakeholders, including shareholders, employees, investors, consumers and managers have been under increasing pressure to adopt socially responsible behavior. These studies provide evidence based on the increase in the efficiency of organizations with social responsibility and more committed workforce, because employees are proud to work with organizations with identity and social

responsibility (Pitterson, 2004). In another study, Bramr and colleagues (2007) examined the relationship between organizational commitment and staff's perceptions about the corporate social responsibility within the model that had derived from social identity theory. The results of this study yielded significant implications for the implementation of strategies of social responsibility within the organizations. The results show that the positive relationship between any aspect of employees perception from the social responsibility emphasizes on the result from organizational commitment that may be arising from the organization investments in the corporate social responsibility.

Transformational leadership style

In the contemporary literature of leadership and organizational management, transformational leadership theory has been known as the coryphaeus of the all theories to describe the processes of leadership effectiveness. At the same time, this theory has provided an appropriate model for creating fundamental changes and transformation in shaping many today's organizations (Sanjeghi, 2001).

But transformational leadership literature returns to 1978 and Burns' activities. Burns indicated that transformational leaders are the owners of insight and force others to challenge and try to do exceptional things. Also, he adds: "Only, transformational leaderships can map necessary paths for new organizations, because they are the source of changes and predominate on the organizational changes (Mooghali, 1382).

Bass and Avolio are other important people that in this area have researched. In this regard, they examined the financial performance of a large company. They found that teams with transformational leaders have better financial performance and vice versa teams with transactional leaders have weaker financial performance. However, several studies have been conducted by other scientists around the world. In this regard, many studies have been done about transformational leadership in more than a thousand companies in America and more than 12 countries in the world. In addition, various

studies have been done about the relationship between transformational leadership and organizational performance, staff behaviors, empowerment and so on. In all these studies have investigated the relationship between transformational leadership and positive outcomes individual and organizational such as performance, satisfaction, commitment, organizational culture, empowerment and so on (Mooghali, 2003).

Garcia and Morales (2008) examined the impact of transformational leadership on innovation and organizational performance that depends on organizational learning levels in industrial companies. The findings show that there is a positive relationship between transformational leadership and organizational innovation, between transformational leadership and organizational performance between organizational innovation and organizational performance. The findings show that there is a positive relationship between transformational leadership and organizational innovation, between transformational leadership and organizational performance and between organizational innovation and organizational performance (Alarifi, 2011).

Gumusluoglu and Ilsev (2009) stated that transformational leadership influences on innovation especially at the organizational level. They found that these two factors have the serious impacts on each other. On the other hand, Jang et al suggest that the spread of a study to this level of analyzing has a good support for knowledge, because only a small number of empirical studies have examined the relationship between transformational leadership and organizational innovation (Mokhber et al., 2011). Howell and Frost (1989), Clover (1990), Deluga (1992), Kirkpatrick and Locke (1996), Barling et al (1996) stated that the transformational leadership style affects on the higher working tasks. While, Hater and Bass (1998), Howell and Frost (1989) and Conger et al., (2000) stated that transformational leadership behaviors is related to the satisfaction of subordinates.

Bennis and Nanous (1985) in a 5 year study, while interviews with 90 prominent executive officers and leaders of public sector organizations found that transformational leaders empower

their followers with delegation of authority to them and thereby to develop the necessary competence in the accomplishment of organizational goals, help their subordinates.

Bronze's transformational leadership style has been studied by many researchers under different titles (Bass, 1985; Bennis, 1985; Tichy and Darna, 1986; Kvenger and Kanogo, 1987; Kanert and Luis, 1987; Sashkin 1988; Shamir and House, 1993; House, 1997). Generally these studies, the behaviors and characteristics of transformational leaders have stated as follows: Cordiality and sympathy, need for power, eloquence and good articulation skills, intelligence and caring for others. These leaders are able to motivate followers, have the ability to inspire, gain the followers commitment and can change beliefs, attitudes and people goals and norms of the organization. Transformational leaders create the feeling in the subordinates that are viewed to them as human and help the people to see things in a new way (Landrum et al., 2000).

Based on the theory of transformational leadership, a leader requires the use of local actors to perform the necessary tasks for the organization to achieve its desired goals. In this regard, the objective of transformational leadership is to ensure that the path of the goal achievement has been clearly understood by local actors, leaders overcome the potential barriers within the system and encourage actors to achieve predetermined goals (Boenke, 2003). As was stated, Burns raised the idea transactional leadership and transformational leadership, but he first raised the idea in politics, and then Bass inserted it into the organization level. In the following of Burns researches, in 1985, Bass presented a model of leadership that recommended the transactional and transformational leadership, respectively, for the situations of stabilization and organizational transformation. Bass and Avolio in 1995 extended this model and determined the dimensions of transformational leadership and transactional leadership and eventuated as operational the model in the form of a questionnaire called "Multifactor Leadership Questionnaire" (Higgs, 2003).

Bass believes that a transformational leader is someone who in order to reinforce the performance of the staff and the organization, establishes a positive relationship with their subordinates, encourages the employees to go beyond personal needs and to work in line of group and organization desires. Transformational leaders stimulate their subordinates to do what they can (Burke and Collins,2001).

Components of transformational leadership

Transformational leadership for implementing need the four components or factors which have been identified as maker elements of the theory. These factors include:

Idealized Influence (Idealized characteristics-Idealized behavior):In this case, the individual has the characteristics of a charismatic leader.He is the trusted and admirable for subordinates and subordinates know him as a model and try to be like him/her. Idealized Influence is included the idealized characteristics and idealized behaviors.

Inspirational Motivation: Leader encourage employees to believe the goal and accessibility to it with effort. These people are generally optimistic about the future and accessibility of the goals.

Intellectual Stimulation: Leader stimulates staff as intellectual. These leaders encourage their followers to deal creatively for solving problems and to evaluate the obvious assumptions. They encourage their followers to examine problems from different angles and to implement the innovative problem-solving techniques.

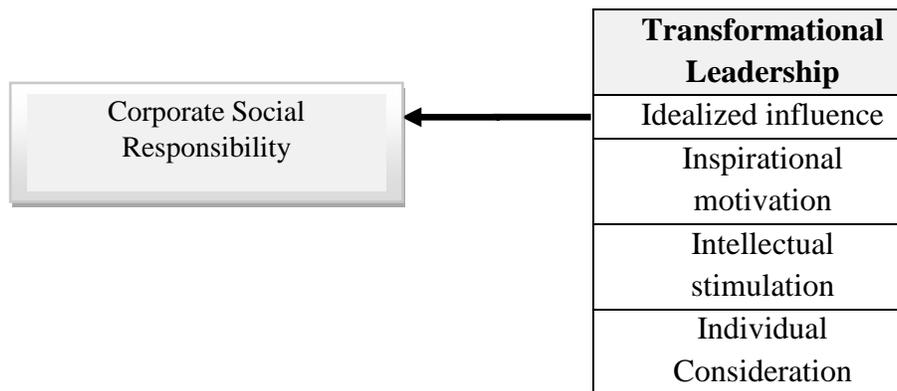
Individual Consideration: Leader meets emotional needs of subordinates. These leaders recognize their needs and help them to develop the skills required to achieve specific objectives. These leaders may spend considerable time to develop, education and training (Spector et al., 2004).

Research conceptual model

Figure 1: Research conceptual model (Bass and Avolio, 1995 & 2005; Carroll, 1991)

Dependent variable

Independent variable



Research hypotheses

Main hypothesis

Transformational style impacts on the improvement of social responsibility in Karaj Municipality staff.

Subsidiary hypotheses

- 1- Idealized influence impacts on the Corporate Social Responsibility.
- 2- Inspirational motivation impacts on the Corporate Social Responsibility.
- 3- Intellectual stimulation impacts on the Corporate Social Responsibility.
- 4- Individual Consideration impacts on the Corporate Social Responsibility.

Methodology

The primary aim of this study is to investigate the impact of transformational leadership style on the improvement of social responsibility. So, the present study, in terms of the purpose is empirical and in terms of the collecting data method is the kind of non-experimental research; and in terms of implementation is descriptive and kind of correlational. Statistical population included 710 participants from all employees of Karaj municipality. 235 participants out of all the population were selected as the random sample using Cochran formula. The instrument used in this study is: Bass and Avolio (2000) transformational leadership

standard questionnaire and Jeremy Gilbreth (2010) corporate social responsibility questionnaire that has compared to the Dr. Moghimi's questionnaire that examines the willingness of organization to accept responsibility and is included 27 final questions. Formal and content validity and internal consistency of the questionnaires used in the study were approved by experts. The reliability coefficient of questionnaires were assessed using Cronbach's alpha coefficient, which respectively are: 0.82 and 0.77. To analyze the data according to research topic, at first, the normality of the data was measured by k-s test and was determined all research variables have normally been distributed and then, using Pearson correlation coefficient and multivariate regression (step by step) and using the SPS statistical software were analyzed.

1- Main actions and activities of research plan

Research findings

To measure the correlation coefficient significance was used the table of the correlation coefficient significance where critical values of correlation coefficient are considered in degrees of freedom 0.05 and 0.01.

Table 1: Correlation matrix of transformational leadership style dimensions with Corporate Social Responsibility

Dimensions	Transformational leadership	Idealized influence	Inspirational motivation	Intellectual stimulation	Individual consideration	Social responsibility
Transformational leadership	-					
Idealized influence	0.88 **	-				
Inspirational motivation	0.92 **	0.82 **	-			
Intellectual stimulation	0.83 **	0.66 **	0.74 **	-		
Individual consideration	0.81 **	0.61 **	0.77 **	0.68 **	0.70 **	
Social Responsibility	0.77 **	0.53 **	0.63 **	0.57 **	0.59 **	-

* Correlation is significant at the .05 level (2-tailed).

** Correlation is significant at the .01 level (2-tailed).

As seen in Table 1, correlation coefficient between transformational leadership style and Corporate Social Responsibility is equal to 0.77 that is acceptable at the level of 1% error. Also, in the table above has been presented the correlation coefficients of various factors that has been determined correlation coefficients of the transformational style and social responsibility within it. To investigate the effects of four aspects of transformational leadership on corporate social responsibility was used multiple regression analysis. Entry of the independent variables in the multiple

regression analysis has been stepwise method. In this method, entry of independent variables is not done by the investigator and based on the correlation coefficient is done and if variables gain entry criteria, remain in the analysis and otherwise are removed (Sarmad, 2001). Finally, two variables of the inspirational motivation and individual consideration gained entry criteria and two variables of the intellectual stimulation and idealized influence were excluded from the regression equation.

Table 2: results of stepwise regression

Model	Multiple correlation coefficient (R)	coefficient of determination (R ²)
1	0.687 *	0.436
2	0.686 **	0.451
3	0.681 ***	0.467

(a) Predictive variables: Constant coefficient, idealized influence, inspirational motivation, individual consideration and intellectual stimulation

(b) Predictive variables: Constant coefficient, idealized influence, inspirational motivation and individual consideration

(c) Predictive variables: Constant coefficient, inspirational motivation and individual consideration

Table 3: Regression coefficients and beta for model 3 *

	Regression coefficients	Beta	t	Significance level
Constant coefficient	0.372		4.735	0.000
inspirational motivation	0.134	0.416	2.462	0.035
individual consideration	0.146	0.356	1.823	0.071

* dependent variable: Corporate Social Responsibility

As can be concluded from the Table 4, transformational leadership, inspirational motivation and individual consideration among the different factors have the greatest impact on corporate social responsibility.

Conclusion

Today, managers have to achieve the goals of the organization to carry out actions that are acceptable to society and the people. Managers even in front of their thinking are accountable towards society. They must meet public satisfaction and their needs and be accountable towards the responsibilities that they have undertaken; because acceptance of social responsibility creates public trust that is the most important social capital. So, the aim of this study is to evaluate the impact of transformational leadership style on improvement of the social responsibility in Karaj municipality staff. In this study was noted the significant positive relationship between transformational leadership style with corporate social responsibility. In this regard, the components of transformational leadership and corporate social responsibility were recognized and written practical solutions to promote corporate social responsibility. Thus it can be concluded that managers using the transformational leadership style and through the promotion of social responsibility can achieve the goals and policies of the organization appropriately. According to verification of relationship between transformational leadership style and social

responsibility, it is suggested that to use the experiences of successful managers, effective components through journals or bulletins organization are placed at the disposal of all managers. Also, with regard to the role of managers for the promotion of moral responsibility, identification and encouraging such managers is suggested to municipal senior managers.

Also, scientists believe that leadership style can play an important role in shaping employees' perceptions about the work environment and its dimensions. On the other hand, transformational leadership is a regulatory action in the leadership that occurs when leaders develop and promote the interests and their followers, create awareness and acceptance in the goals and group mission, and habituate their employees to see group interests beyond self-interests. Transformational leaders are individuals who have a deep influence and considerable on their followers and create high levels of performance in them. Transformational leadership are who through the role determination and obligations and tasks assigned guide and motivate their followers in line of certain purposes. Bono and Judge found that followers of transformational leaders know themselves significantly more capable than others. This

belief may have been formed in them because of belonging and independence sense. Scientists have found that there is a very strong correlation between transformational leadership style and organizational behavior variables (Lowe and Kroeck, 1996), (Luthans and Avolio and Walumbwa, 2005), (Avey and Patera, 2006). Also, Peter Senge (1990) argues that the foundation of motivation is the inspiration and this type of motivation that motivates followers to do organizational objectives responsibly. The emphasis is on individuals' emotions and internal properties and through kind of induction and inspiration is caused a common vision from the organizational goals in followers. Transformational leadership can improve the followers' ability to understand the nature of the organization and the issues that they are faced. Learning occurs in learner organizations when employees analyze organizational issues, review the working methods, find the new ways and appropriate solutions for ahead problems and think about what they're doing.

Given the importance of the role of managers in policy-making organizations and their attention to issue of social responsibility and verification of relationship between transformational leadership and social responsibility, it is suggested that leaders act as a powerful model for followers so that followers are known by the leaders. If leaders want to be trusted and admirable for their followers, they should have high moral and ethical standards and do everything correctly. They should give the vision and sense of mission to their followers and motivate them to follow their perspectives.

In the end, it is recommended to future researchers that examine the impact of other types of leadership styles like leadership of the fourth or fifth type or interactive leadership with employees' psychological empowerment and adapt their findings with the results of the above study. Also, it is recommended to examine the impact of transformational leadership with the other organizational behavior variables such as job satisfaction, organizational commitment, organizational citizenship behavior and job performance.

Resources

- Ballarpur Industries and CSR(2002). Corporate Social Responsibility in Indian what & why?
- Bass B. M., Avolio B. J.; The multifactor leadership questionnaire, Redwood city; CA: Mind Garden, 1995.
- Bass B. M., Stogdill R. M., A survey of theory and research; Journal of Management, 15(2), 1989.
- Bass, B. M.; Leadership and performance beyond expectations; New York: Free Press, 1985.
- Birkenmeier, B., Carson, P. P., and Carson, K. D. (2003). "An analysis of supranational servant leadership on Jean monnet", International journal of organization theory and behavior. 6/3:374-400.
- Bono J. E., Judge T. A.; Self-concordance at work: Toward understanding the motivational effects of transformational leaders; Academy of Management Journal, 46, 2003.
- Carroll, A. B. (1991). The Pyramid of Corporate Social Responsibility.
- Chavoushi Bashi, Farzaneh (2008) "Introduction to Corporate Social Responsibility", Journal of Social

- Responsibility, Strategic Center of the Expediency Council.
- Chen, M. f. (2006). "The relationship among transformational leadership, organizational commitment and organizational citizenship behavior - a study of network department in a telecommunication company", www.sciencedirect.com
- Conger J. A ,Kanungo R. N.; The empowerment process: Integrating theory and ; Academy of Management Review, 13 (3), 1985.
- Corporate Social Responsibility Survey(2002). in Indian.
- Dohety A.Y.,Danychuk K.E.; Transformational and transactional leadership in interuniversity athletics management ; Journal of Sport Management, Vol. 10,1996.
- Hall, A. T., Zinko, R. P., Alexia A. F., and Gerald R. (2009). "Organizational citizenship behavior and reputation: mediators in the relationships between accountability and Job performance and satisfaction", Journal of Leadership & Organizational Studies Volume 15 Number 4, pp 381-392.
- Keller, T., Dansereau, F. ; Leadership and empowerment: A social exchange perspective ; Human Relations, 48 (2) 1995.
- Lowe K. B., Kroeck K.G. ,Sivasubramaniam N. ; Effectiveness correlates of transformational and transactional leadership: A meta-analytic review of the MLQ literature ; The Leadership Quarterly, 7,1996.
- Meyer, J. P. and N. J. Allen (1997): "Commitment in the Workplace: Theory, Research, and Application", Sage, Thousands Oaks, CA.
- Moghimi, SeyedMohammad, 2007, "organization and management with the research approach", Fifth Edition, Tehran, Termeh publication.
- MooghaliAlireza (2003), model of the transformational leadership in Iran administrative organizations, managementknowledge, No.62.
- Riordan, C. M., R. D. Gatewood and J. B. Bill (1997): "Corporate Image: Employee Reactions and Implications for Managing Corporate Social Performance", Journal of Business Ethics, Vol. 16, No 4, pp: 401–412.
- Robbins, Stephen, P, (2001), OrganisationalBehaviour, translated by Mohammad Arabi and Ali Parsaeian, Third Edition, Tehran, Cultural Research Bureau.
- Russell .F. & Stone A.G.(2002). A review of servant leadership attributes: Developing a practical model. Leadership & Organization Development Journal, 23/3, 145-157.
- Salehi, M. and Azary, Z. (2009): "Stakeholders' Perceptions of Corporate Social Responsibility: Empirical Evidences from Iran", International Business Research, Vol. 2, No. 1.
- Sanjaghi, Mohammad Ebrahim (2001), analysis of the nature and dimensions of transformational leadership theory, Journal of Human Sciences, University of Al-Zahra, No. 1.
- Shamir B., House R.J. , Arthur M. B. ; The motivational effects of charismatic leadership: A self-concept based theory ; Organization Science, 4, 1993.
- Simic, I. (1998). Transformational leadership, the key to successful management of transformational organizational changes. The scientific journal factauniversitatis ,economics and organization 1(6): 49-55.
- Spears, L. (2006). Servant-leadership and the new millennium. The International Journal of Servant Leadership, 2(1), 39-44.
- Taboli Hamid et al., (1391), evaluate the relationship between transformational leadership style and creativity of employees in government agencies Neyriz city, Journal of ingenuity and creativity in the Humanities, Volume II, No. 1, Summer 91.