**THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP, POWER AND THE SOCIAL IDENTITY OF EMPLOYEES**

**Nomfundo Ngcobo Mthembu**
**16393202**

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**Abstract**

This study looks at the relationship between transformational leadership, power and social identity of employees. Leadership, social identity and power are intertwined in organisations and fundamental in the interactions between the leader and employees. Whilst leadership is the guide in organisations, social identity creates cohesion and spurs superior performance. Power relations between employer and employees also lends itself to a strong social identity and social cohesion. The organisation benefits where leadership is rooted in social cohesion and a healthy power interaction between employer and employee.

The commercial relevance of the study is premised on the need to driver better company performance through an in-depth understanding of employees and what is ostensibly important to them... The empirical evidence deduced from this study seeks to understand the aforementioned disconnection, if it exists. Literature does not tell us how transformational leadership is affected by social identity and power from an applied psychology point of view.

Transformational leadership success is largely dependent on a prototypical leader harnessing social identity by motivating inspiring empowering and encouraging the employees to transcend self-interest for the benefit of the group. The apt distribution of power between the leader and the employees creates strong social identity and a dyadic relationship between the leader and employees. Transformational leadership thrives in the environment of referent between the leader and employees and where the leader encourages social cohesion by being a prototypical leader where all employees feel the safety, security and certainty of being part of the in-group.

**Key words**

Transformational leadership, social identity, power, psychology.

**Declaration**

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Name:                                    Nomfundo Ngcobo Mthembu

Signature:                               _____

Date:                                    6 November 2017

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# Chapter 1: Problem Definition

## 1.1    Introduction

The focus of the research is on the relationship between transformational leadership, power and the social identity of employees. The perspective taken in this study is from the vantage point of employees with power as an element of leadership. For this research, the focus is on transformational leadership, which is categorised in some literature as charismatic leadership depending on the delivery and reception of leadership by the followers. The research seeks to assess employee perception of the relationship between transformational leadership, social identity, and power.

This chapter shall review what leadership is through the refined definitions available in literature. The definition of a research problem shall take the form of whether there is a relationship between transformational leadership, social identity and power. If there is a relationship, the further analyses shall be whether transformational leadership predicts social identity in an organisation. Psychological relations between the leader and employee shall also investigate whether transformational leadership predict power in an organisation. The research motivation shall be discussed in the chapter with the premises being the academic or literature development and business imperative. Specific research questions as the focus of this research shall be expatiated on to further analyse the context of the relationship between transformational leadership, social identity and power, if such a relationship exists. The purpose of the study is to glean on the aforementioned relationships to understand how leaders can harness these relationships for superior business excellence. Invariably the purpose of the study shall also advance leadership literature with the socio psychological realm within which it is firmly nested.

Leadership is defined by Chemers (2014 p1) as a course of social influence in which a person can procure the aid and support of others in the achievement of a common goal. Dansereau, Seitz, Chiu, Shaughnessy, & Yammarino (2013) further expressed that leadership is the interpersonal relations between the follower and the leader, an interactive process in which a leader influences the follower. This suggests that leadership exists within the context of a group where there are leaders and followers.

Contemporary leadership literature seems focused on the evolving transactional and transformational leadership even to the point of favouring transformational leadership as the most effective of the two (Rast, 2015). Accepting Rast, (2015) assertion that transformational leadership is more effective in the leadership behaviours attributes and styles theories is one of the premises of this research.

This paper will reflect an expanded and inclusive understanding of the interdependences of leadership, power and social identity in modern day organisation. These factors weigh heavily on the success of organisations and individual leaders at all levels in the organisation.

## 1.2    Definition of Problem Statement

The need to understand what makes transformational leadership desirable and efficient is rooted in the need to understand social identity and the power that it offers both the leader and the follower. Emerging leaders have thrust to the fore the different leadership styles. Nelson Rolihlahla Mandela, the previous president of the African National Congress and then the president of South Africa (from 1994 to 1999) is an apt example of a transformational leader. He transformed the nation and changed the world according to Brown, G (2014). Nelson Mandela possessed idealized influence because as a leader he acted as a role model and was respected by many, least of all his detractors. He provided meaning to followers' work of transitioning into the new South Africa and formulated a clear vision of the rainbow nation wherein people are united in their diversity. Nelson Mandela had high expectations for the country and its people manifest in his inspirational motivation. Having spent a significant amount of time in prison, Mandela had become an avid reader and thus was able to provide intellectual stimulation by encouraging followers to challenge existing dogmas, assumptions, reframe problems, and to find novel, creative and innovative new ways of dealing with challenges. Finally, individualized consideration by Nelson Mandela was characterized by his genuine spirit of ubuntu, coaching and mentoring behavior by supporting the development, aspirations and achievements of his followers. (Bass, 1985).

Nelson Mandela was able to create a vision that diverse and sometimes opposing people adopted. He demonstrated superordinate prototypical leadership by being able to unite

people. Under his presidency, he advocated for oneness and the sense that South Africans were in it together, no winners or losers. His leadership style transformed South Africa during a difficult, treacherous and dangerous time. The sense of inclusiveness allowed the followers to surrender power to Nelson Mandela ungrudgingly. In addition to the legitimate power that Nelson Mandela possessed as a result of being the president of the African National Congress and later the President of the South Africa, he had great referent power from even unlikely aficionada. Business can emulate this style of leadership for superior corporate performance.

Northouse, (2012) indicated that many people believe that leadership will assist in improving their professional, personal, and social lives. Northouse, (2012) further suggested that businesses pursue individuals with seemingly superior leadership abilities because of the belief that such individuals have unique characteristics, which they will bring to the organisation to improve the bottom line.

In the seminal work of Bass (2008) McCleskey, (2014) continued to predict the future importance of traits and situations (context) to leadership. This is indicative of the interwoven nature of the various leadership theories. Accordingly, McCleskey (2014) suggested that transactional organisations shall wane in favour of transformational organisations as leaders become more flexible, responsive and adaptive. He continues to advise future scholars to engage in research connecting development and efficacy, organisations and outcomes, leadership and followers. This research shall focus on leadership, followers, and the sociological and psychological factors of transformational leadership in organisations.

Having disproportionate power to set the agenda, define identity and mobilise people for a particular goal is what leadership is about (Hogg, 2016). Building on this argument, one of the distinguishing/unique factors of social identity is that when group membership is psychologically important as a basis of self-identification, leadership gain more support and are more effective if they are viewed by their followers as being prototypical members of the group, contended (Rast, Gaffney, Hogg, & Crisp, 2012). Prototypicality and social attraction work in conjunction with attribution and information processing to translate perceived influence into active leadership (Hogg, 2016). There seems to be a relationship between social identity, leadership, power that requires extensive

investigation. This motivates the research and verifies the existence of the research problem.

The consequence of transformational leaders is to broaden and elevate the interests of their employees, generate awareness and acceptance of the purposes and mission of the group, and stir employees to look beyond their own self-interest for the good of the group (Gillet, 2014). Transformational leadership calls for one to look beyond self-interest and focus on the best interest of the group, whereas social identity is a sense of self and belonging within a group. The consideration of the transformational leadership (as a dependent variable) in relation to social identity and power (as independent variables) seeks to test the extent to which one exists in the context of the other. Bass (2008)

Social identity was considered in the context of an organisation. An organisation is a social group with a social identity; and social identities focus on how the in-group is unique from relevant out groups (Hogg, 2016). Social groups provide their members with a shared identity that prescribes and evaluates who they are, what they should believe and how they should behave. Social identity provided certainty and comfort that for as long as one follows the group's rules, implicit or explicit, the group shall protect it with the same force as he is expected to protect the group. (Hogg, 2016).

The study will seek to explore the following predictive model, which suggests that a transformational leadership relates to the sense of social identity of employees, and this relationship is mediated, by the perceived power and influence of the leader.

Figure 1: Relations being tested



Dinh et al., (2014) believed that the lack of understanding on how leaders build or create effective corporations stems from a singular focus on the leaders and their abilities

instead of on how they affect other individuals in organisations. Succinctly, how leaders manage to cultivate social identity for better performance and improved accomplishments.

Leadership is a complex process having multiple dimension, argues Northouse, (2012), least of all being the social identity dimension. The fact that leadership theories in general have been devoid of the social identity theory has left a glaring and obvious challenge of responding to the question of the extent of the relationship between social identity and transformational leadership in the context of power. Bass (1985) indicated that a transformational leader generally motivates others to deliver results in excess of expectations.

## 1.3    Research Motivation

This research seeks to highlight an often-overlooked aspect of leadership seated in the psychological domain. The relevance of this topic lies squarely in the analysis of leadership with organisational behaviour and applied psychology for better comprehension of this phenomenon. For the purposes of this study, the focus is limited to whether transformational leadership predicts social identity in the context of power. Considering underlying psychological process and contextual factors in and between the transformational leader and follower is an area that warrants further research.

## 1.4    The Research Question

What remains unclear, however, is whether transformational leadership is related to social identity. In essence, therefore, the research question, which this study intends to answer, is what the relationship between transformational leadership, social identity is and power is in an organisation.

The research also considered whether transformational leadership predicts social identity in an organisation. Power shall also be considered as a mediator with a response to a more direct question. Is the power of a leader related to transformational leadership? The research shall also seek to respond to the research question of whether transformational leadership predicts power in an organisation. The response to these questions allows us to establish how the relationship between these variables can be harnessed for an improved, excelling organisation. Does a sense of perceived power

predict social identity? The kind of power also becomes a factor, considered against the backdrop of transformational leadership.

1. **Research Question 1**: Is social identity related to transformational leadership in an organisation?
2. **Research Question 2**: Is the power of a leader related to transformational leadership?
3. **Research Question 3**: Does a sense of perceived power predict social identity?
4. **Research Question 4:** Does a perceived sense of power mediate the relationship between transformational leadership and social identity

The answer to these questions will further elucidate the extent to which social identity and power impact transformational leadership as well as what makes transformational leadership effective and desirable?

## 1.5     Purpose of this study

The purpose of this study is to probe the psychological processes and the perceived relationship between transformational leadership, social identity and the impact of power. In particular, the study seeks to establish whether the success of transformational leadership is aided by perceived sense of social identity and shared power. The purpose of this study is to understand the relationship amongst transformational leadership, social identity and leader power.

## 1.6     Research Scope

The scope of the research is limited to three constructs being transformational leadership, social identity and power. While there are different leadership theories, the focus for this research is transformational leadership. Social identity as fostered by the leader also forms part of the scope. The research considers the effects of a leader forming a superordinate identity that is representative of the entire organisation and not just a portion of it. The effect of being a prototype of leadership in the organisation shall also be considered. Power shall be investigated in the context of transformational leadership and social identity. Albeit that all power bases shall be discussed for context the research shall focus on the power base that is an element of transformational leadership, referent power.

## 1.7    Relevance to the South African Context

It is common cause that South Africa remains plagued by its horrific and divisive past. In the healing process, organisations are a critical place where such divisions need to be bridged. The South African working force spends at least eight hours per day, which is far more that the time employees spend at anywhere else during the day. Organisational leaders need to build a prototype and superordinate structure that is harmonious both from the gender, culture and colour point of view. Transformational leaders are well placed to play this transformational role wherein they transform the organisation financially and performance wise by leveraging off their transformational leadership skills and power to create a social identity that assures everyone that transcending self-interest for the benefit of the group is beneficial to the performance of the group.

South Africa's economy has stagnated over the past five years and business remains critical in the improvement of the situation. Business need to be operating optimally and this require transformational leadership in order to drive the country's imperative for economic growth. Organisational leadership optimisation will be one of the tenants that such growth can be driven.

## 1.8    Conclusion

This chapter has introduced the research by defining the problem statement. The problem statement has been crystalized into a comprehensive assessment of the relationship between transformational leadership, social identity and power. The research motivation has been analysed as the requirement in literature to assess leadership in the context of applied psychology and organisational behaviour. The additional motivation being the transformation of the workplace, the interface between leader and follower for superior performance. Specific research questions have been crafted in order to respond to the problem statement. The purpose of the study has been identified as one that seeks to develop leadership literature with the overlapping field of applied psychology in organisations. The scope of the research has been limited to three constructs, namely transformational leadership, social identity and power in the organisational interface. The following chapter shall review available literature on the aforementioned three constructs.

# Chapter 2:   Theory and Literature Review

## 2.1   Introduction

To an extent, the effectiveness of leaders depends on the followers. Understanding how transformational leadership relates to social identity will unlock the leadership effectiveness conundrum. The literature review will be further developed to go deeper into the main themes highlighted to provide basis to the research questions. Literature will be reviewed to draw connections and diversions of the main themes, which are transformational leadership, social identity, and power.

This chapter shall introduce and define the three key constructs beginning with transformational leadership. Secondly, social identity will be analysed in the context of an organisation in financial services. Lastly, the power construct will be presented as an element of leadership. van Knippenberg (2000) found that a salient social identity is positively related to contextual, task performance, and work motivation. Accepting that social identity enhances work performance, then how is social identity affected by transformation leadership and perceived power? This research seeks to understand the latter relationship.

According to Dansereau e al. (2013), leadership is the interpersonal relations between the follower and the leader, applied psychology in the form of social identity as a theory becomes relevant. Literature on social identity will enable us to assess the development of this field of study. In the same manner that Dansereau et al. (2013) defined leadership as the interpersonal relations between the follower and the leader, Hogg (2001) viewed power as the conduit between leader and follower.  Within the context of organisations, both Dansereau et al. (2013) and Hogg (2001) viewed leadership and power as relational constructs between leaders and followers. Leadership will be considered first, narrowing it down to transformational leadership. Literature on social identity theory will be considered for sociological, psychological and contextual basis. Power will be considered lastly as the variable between transformational leadership and social identity.

Accepting the assertion by Bass (1985) that charismatic leaders have great referent power and influence, than the study must consider the relationship between transformational leadership, power and social identity (See figure 1). In transformational leadership, followers develop intense feelings that include trust and confidence in the

leader. This places the followers in the hands of the leader for influence. The followers hand over an element of power to the leader. The construct of power is associated with leadership because it is part of the influence process (Northouse, 2012). Northouse (2012) went further to define power as the capacity or potential to influence people towards a particular direction, this is exhibited through Adolf Hitler and his German followers during the Jewish Genocide. People have power when they have the capability to affect others' views, approaches, and course of action. Nelson Mandela exhibited this both as a South Africa president and in his later years globally. Both the aforementioned leaders had the capacity to influence people's views, approaches and course of action. This is the intertwined with the definition of leadership. This relationship is clarified by (Northouse, 2012) when he states, leadership involves influence. It is concerned with how the leader affects follower. Influence is the sine qua non of leadership. Without influence, leadership does not exist.

## 2.2    Leadership

Hogg (2001) explained leadership as an interactive and evolving product of transactions between followers and a leader. The benefits albeit to varying degrees must be apparent to both follower and leader. Tangible benefits in the organisational paradigm differ with the non-tangible benefits in the societal realm. Northouse (2012) suggested that leadership is an increasingly valued service in organisations. Apt leadership in organisations has the potential to deliver immensely on shareholder expectations and in turn on the rewards for employee. Commerce worldwide is driven by leadership and strengthening it must be the preoccupation of researchers for continuous improvement. Similarly, in academia, leadership and leadership styles have been areas of interest to academics. The interest and fascination has given rise to many definitions of the leadership construct. Beyond the interest of leadership and leadership styles, Rast (2015) suggested that the concept of leadership as a process of social influence and coordination is present in nearly every scholarly definition.

This research is concerned with the relationship between transformational leadership, power and the social identity of employees. In order to fully understand transformational leadership, it is important to firstly review literature about the origins of the leadership phenomenon. Dinh et al. (2013) suggested that leadership theories have developed to understand how micro processes, such as perceptions, emotions, cognitions, as well as

macro processes such as the social relational context dynamically affect follower and leader outcomes.

Leadership needs to contest the status quo, create a vision for the future, and inspire organisational members to achieve the visions set by the organisation (Chiu, Balkunid, & Weinberg, 2015). Steffens, Haslam, & Reicher, (2014) expressed that effective communication, mutual trust, enhanced creativity, and successful corporation are organisational behaviours that are found to be greatly (and positively) impacted when people define themselves in terms of a shared social identity. The ability of transformational leaders to inspire and motivate their followers, including those who are part of a group, gives them referent power (Bass, 1985) which in turn connects them to their followers. When Mr Barack Obama led his presidential campaign in the United States of America in 2008, his famous slogan of dubbed "yes we can" placed him in a position of idealised influence by inspiring hope for Americans during a period unprecedented economic turmoil. His Yes we Can speech provided the inspirational motivation met with individualised consideration as most citizens could identify. Steffens, Haslam, & Reicher (2014) stipulated that people's lives are regularly moulded by a special and enduring sense of personal connection between themselves and their leader. Mr Barack Obama exhibited this personal connection though his endearing speeches forging great intellectual stimulation.

Personal connection between followers and leaders can easily be abused. Locke & Anderson (2015) highlighted that individuals with an air of confidence are more likely to attain positions of status and power. Strikingly, this pattern emerges even when an individual is actually less competent and when his point of view is incorrect (Locke & Anderson, 2015). The suggestion by Locke & Anderson (2015) is that this pervasive pattern might have negative consequences associated with what is popularly called the dark side of transformational leadership. The dark side of transformational leadership is when the attributes are utilised for selfish, manipulative, vindictive intents. Therefore those is a position of power should be careful of relinquishing power to those exhibiting dark sides (Locke & Anderson, 2015). So too are transformational leaders, larger than life, or at least appear to be. How else do they manage to motivate others to deliver more than what is expected?

Followers who perceive their managers as leaders generally gravitate towards being more committed to the organisation, particularly willing to indulge their leader's requests and have a greater sense of job satisfaction resulting in better performance (Chiu et al., 2015). Dansereau et al., (2013) suggested that leadership theories in academia developed out of the trait theory, which can be traced from as early as the 1930 has and developed to accept that situations and context mattered. (Walumbwa & Avolio, 2008) suggested, however, that the deficiency of early trait research propelled scholars in the late 1940's through to the 1960's to ponder whether effective leaders behaved in a special peculiar manner or leaders could be trained and that context matters.

(Hogg, 2001) indicated that despite criticism, the Fiedler model, is generally accepted as propagating that the effectiveness of a particular leadership style is dependent on the favourability of the context and situation of that particular style. An opportunity exists to bolster contingency theory by assessing psychologically, what kind of organisational culture enables any leader to thrive. Dinh et al. (2013) indicated that divergent leadership theories need to be considered simultaneously with other fields of study and that this should be conducted in an integrated manner to further build on leadership phenomena that is synchronised and calibrated for growth. Hogg (2001) also confirmed that in the preceding 25 years, leadership studies have placed very little emphasis on social psychology. The integrated research in leadership must include applied psychology and organisational behaviour.

Leadership literature also argues that followers often form a more direct form of relational identification with leaders (Steffens, Haslam, & Reicher, 2014). To some extent, this form of relational power places power in the hands of the group to either elevate or diminish the power of the employees. Here it is proposed that responses to a person's leadership depends upon the degree to which followers identify with a leader in relational terms (Steffens, Haslam, & Reicher, 2014). Akin to prototypicality and as another demonstration that social identity, leadership power are intertwined. What shall be highlighted herein is the psychological process of leadership between leaders and followers.

Given that leadership is the interpersonal relations between the follower and the leader as Dansereau et al. (2013) stipulated, it is impractical for a leader to manage unique personal relationships with each follower but can be effectively managed as a collective.

Nelson Mandela was able to establish these unique relations which his followers or person he came in contact with. Avolio & Bass (2004) noted that Leader–Member Exchange theory contends that time pressures force leaders to form unique relationships with sections of their followers. Leader-member exchange theory hypothesises leadership as a dyadic process that is centred on the interactions between subordinates and a leader. However, for the Leader–Member Exchange theory to flourish, or in the least to remain in place, Feinberg, Ostroff, & Burke (2005) assert that the follower and the leader must invest in a symbiotic relationship based on trust, reliability and dependability.

Figure 2: Dyadic relationship between followers and leaders
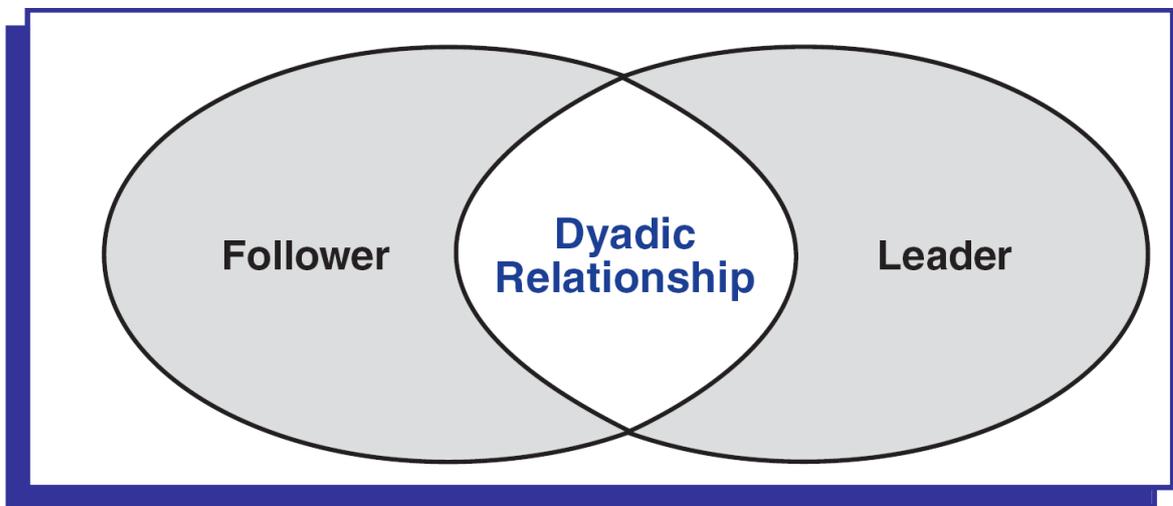


**Source:** (Northouse, 2012)

Figure 3: Leader-Member Exchange Theory
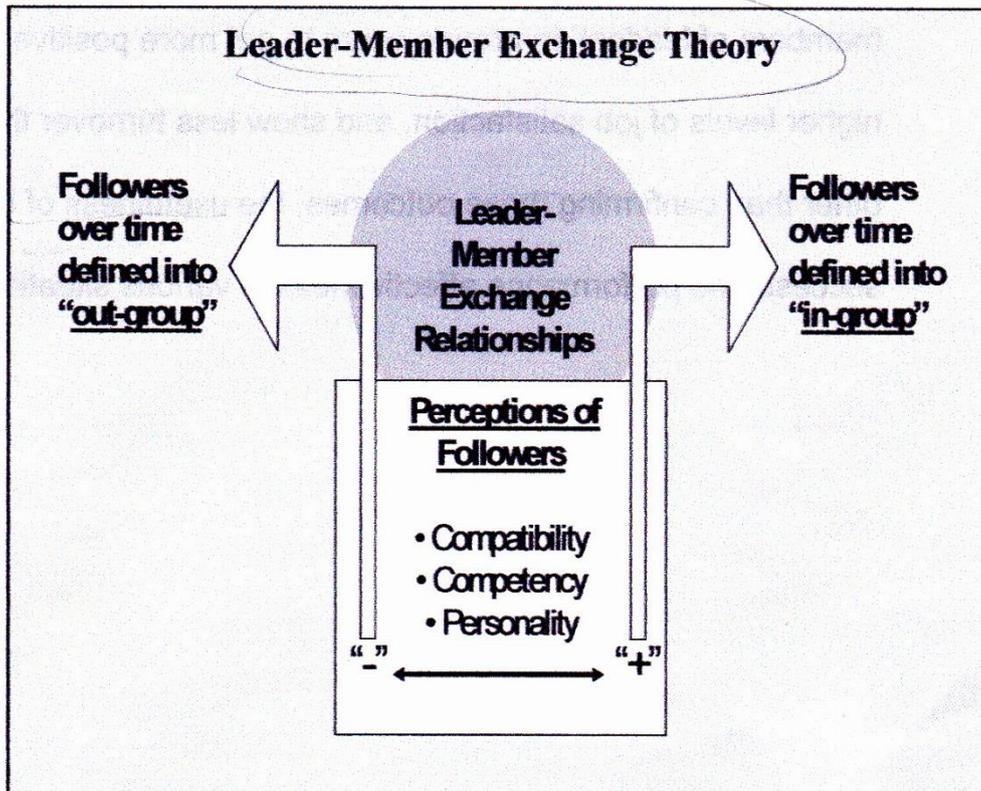
The focus on transformational leadership is important in this study. Transformational leadership as described by Rast, (2015) the most effective leadership method in the leaders and styles context. This is the reason we look to it to consider the extent to which its success is based on social identity. What is not canvassed in the existing literature is whether social identity is related to the effectiveness of transformational leadership. Rast (2015) suggested that the introduction of social psychological research to leadership studies can not only clarify whether transformational leadership is related to social identity in an organisation but also present innovative, unique and creative extrapolations regarding leadership preferences, changes or why, how and when certain leaders are influential.

Some leadership theorists draw no distinction between charismatic leadership and transformational leadership. Steffens, Haslam, & Reicher (2014) postulates that in the

charismatic leadership context, followers attribute heroic or extraordinary leadership abilities when they observe certain behaviours, and tend to give these leaders power. A distinction emerges between charismatic leadership and transformational leadership. Charismatic leaders present larger-than-life personas. Charismatic leadership presents extraordinary leadership by creating visions that are illogical and near impossible. Even though they inspire and motivate followers creating idealised influence, they tend to present as idols, heroes, saviours and omnipotent. However, charisma is also an element in transformational leadership.  Bass, (1985) noted charisma is by far an important element in the broader concept of transformational leadership. Bass, (1985) elaborated that followers tend to have absolute trust and faith in leaders with charisma, felt honoured to be connected to them, and trust their ability to beat any obstacle. Charismatic leadership is important to the transformational leadership process when it comes to the inspirational motivation tentacle. Charismatic leaders have great referent power (Bass, 1985).Charismatic leadership characteristics must be present in transformational leadership in a measured and inclusive manner.

South Africa has an interesting example of an individual who presented charismatic leadership tendencies. The leader (Mr Tlaudi Motsweneng) possessed legitimate and reward power by virtue of his position. Mr Motsweneng could not transcend into transformational leadership because he lacked referent power, which is essential in transformational leadership. It is in part for this reason that there was employee revolts and Mr Motsweneng's leadership of the South African Broadcasting Corporation was short-lived.

## 2.3    Transformational leadership

In the neo-charismatic category of leadership theories that transformational leadership belongs to Dinh et al. (2013) found that transformational leadership remains the most researched theory fascinating contributors of leadership research between 2000 and 2012. This level of interest as demonstrated by the researchers must speak to the relevance of transformational leadership as theory.

McCleskey (2014) indicated that transformational leaders share a vision, inspire followers, mentor, coach, respect individuals, foster creativity and act with integrity. Transformational leaders exhibit and employ idealised influence, inspirational motivation,

intellectual stimulation and individualised consideration in order to obtain the desired results from followers and or organisations. Nelson Rolihlahla Mandela and Mr Barack Obama presented these kinds of attributes, each having led his nation during particularly difficult time but were able to create a joint vision, inspire and motivate followers, give and receive respect, and gave a sense of individualised consideration. The characteristics exhibited by transformational leaders are akin to those relevant to establishing social identity. Groups manage their identities on the basis of subjective belief structures imbedded in their psychology. These beliefs are premised on status, stability, legitimacy, permeability, and cognitive alternatives (Hogg, 2016).

However, McCleskey (2014) suggested that accepting transformational leadership as more effective than non-transformational leadership based solely on what transformational leadership is, is wanting. Context rooted in organisational behaviours and applied psychology is an important premise. Rast, (2015), on the other hand, argued that the assertion that transformational leadership is more effective than non-transformational leadership is considered a black box as it does not stipulate the underlying psychological process or contextual factors that make transformational leadership desirable or effective. What psychosocial elements exists that makes transformational leadership formidable? In individualised consideration (an element of transformational leadership) the leader's sensitivities to individuals creates a basis for an intimate relationship between the leader and the follower such that if the leader is able to demonstrate individualised consideration, his chances of success in leadership are improved.

Bass's (1985) leadership theories presented us with charismatic leadership and transformational leadership. Steffens, Haslam, & Reicher (2014) indicated that in charismatic leadership context, followers attribute heroic or extraordinary leadership abilities when they observe certain behaviours, and tend to give these leaders power. The example of Mr Barack Obama mentioned above is relevant in this context. The yes we can campaign and the persona of Mr Obama exuded charisma that was hard to blemish. However, charisma is also an element in transformational leadership.  Bass, (1985) noted charisma is by far an important element in the broader concept of transformational leadership. . Bass, (1985) elaborated that followers tend to have absolute trust and faith in leaders with charisma, felt honoured to be connected to them, and trust their ability to beat any obstacle. Charismatic leadership is critical to the

transformational leadership process when it comes to the inspirational motivation tentacle. Charismatic leaders have great referent power (Bass, 1985).

Kark et al (2003); (Epitropaki, Kark, Mainemelis, & Lord, 2017) developed a study wherein it was established that transformational leadership positively predicts personal identification with the leader as well as social identification with the group. This research seeks to further confirm and validate that transformational leadership is positively related to social identity. Epitropaki et al. (2017) further stipulated that by enhancing the social aspects of self, such as relational and collective selves, transformational and charismatic leaders achieve a progressive focus with the follower. The leader thus relates to the follower as a distinct individual harnessing the individualised consideration and intellectual stimulation for the leader's benefit. The follower stimulation aroused include high self-esteem, self-efficacy, energy, earnestness. Other attributes stimulated include leader loyalty, commitment and utmost cooperation. Relatedly, transformational behaviours that focus on the group goals and a future collective vision (inspirational motivation and idealised influence) elicit the collective self-component among followers, enhancing social identification and attachment to the work team and ultimately raising the group's sense of self-efficacy, group potency, unit cohesiveness, motivation to contribute to the group. This was exhibited by Barack Obama during his tenure as President of the United States of America..(Epitropaki et al., 2017)

Anderson & Sun, (2015) found that transformational leadership is positively and strongly linked to followers' job satisfaction; high organisational commitment and effort, general satisfaction with the leader; high levels of motivation; and heightened job performance based on task, contextual and creative element. The aforementioned example of Nelson Mandela is thrust into focus here. During Mr Mandela's leadership of the country, there was hope for a better South Africa, people were committed and motivated to work in the best interest of the vision of a rainbow nation, a better South Africa. Herein lies the importance of the study to advance the business / commercial imperative of garnering employee commitment, effort, satisfaction and motivation. Bass, Bernard M and Avolio (1994) suggested that transformational leaders use one or more of the aforementioned four key elements to achieve and obtain superior results from their followers  Effelsberg, Solga, & Gurt (2014); McCleskey (2014) as well as Walumbwa & Avolio (2008) noted that leadership is encapsulated into the transformational Leadership framework which is composed of four key elements: intellectual stimulation, idealised influence, inspirational

motivation, and individualised consideration. It is hard to argue that Mr Barack Obama lacked any of these elements of a transformational leader.

Bass, Bernard and Avolio (1994) (p. 2) argued that transformational leadership is present in leaders who motivate colleagues to view work from new perspectives, generate awareness of the goal, tasks or vision of the team, develop other  colleagues to higher levels of performance or ability and potential, and encourage fellow employees to transcend  self-interest for the benefit the group. It is therefore logical that these leaders would transform and elevate the level of thinking and behaviour from the followers who in turn would want .improve their own performance.

This transformation can be achieved firstly by raising the level of awareness about the importance and value of the expected results secondly by getting the followers to look beyond self-interest for the sake of the group, thirdly by raising the followers' need level on Abraham Maslow's hierarchy from perhaps, the need for security to the need for recognition, or expanding the portfolio of needs by for example, adding the need for self-actualisation to the need for recognition (Bass, 1985).

Figure 4: Maslow's hierarchy of needs
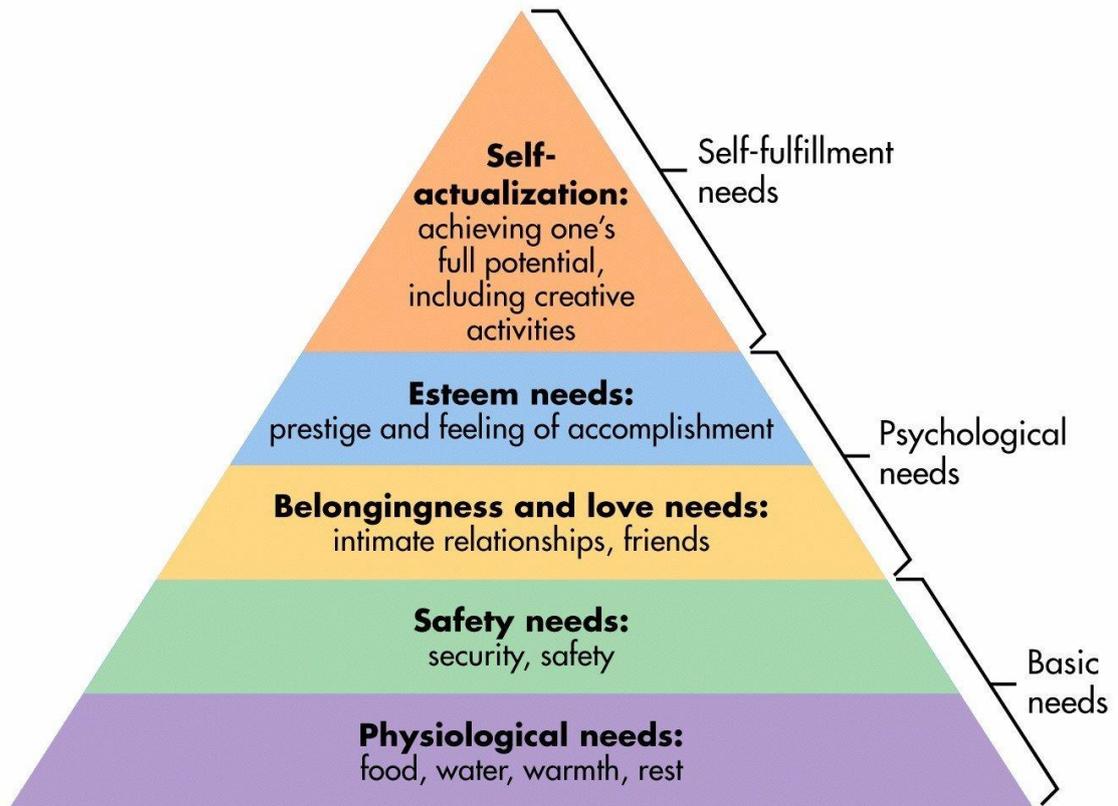
Transformational leadership activities have been demonstrated to develop followers' psychological empowerment. The sense of shared power between follower and leader enhances followers' sense of control. This sense of control leads to a heightened sense of responsibility for job deliverables. Followers who observed and perceived themselves of greater independence (which itself is a form of power) were most likely to assume greater accountability for the result of their work. Aryee, Walumbwa, Zhou, & Hartnell, (2012) contended that followers are more willing to take responsibility for results when working under a transformational leader. This is because, according to (Aryee et al., 2012), transformational leaders inspired, enabled and authorised employees to assume greater responsibilities to harness their full potential by being attentive and responding to their individual needs for accomplishment and growth and also by spurring a sense of control through perceived shared power. The organisational engagement of Google employees exhibit an environment where transformational leadership exists. The researcher having recently visited this organisation and through intense interactions with employees, it was evident that transformational leadership exists. The employees were

inspirational and intellectually stimulated by their leaders and felt a sense of personal connection with their leaders and organisations, which led them to usually go beyond the call of duty. These employees felt that their individualised considerations through flexi hours, flexible workstations, pause areas and napping pods felts that they were being taken care of on a personal level.

According to transformational leadership theory espoused by Bass, (1985) transformational leaders influence followers' self-definitions, affect, values, beliefs, and behaviours and encourage followers to recognize the importance of their work and further develop their knowledge, skills and abilities to reach their full potential: this can be seen in how the globally renowned Mandela Day through the influence and acts of Nelson Mandela. Therefore, transformational leadership is associated with empowered followers that hold strong identification with their organizations. (Zhu, Sosik, Riggio, & Yang, 2012)

Transformational leaders are believed to be attentive to individualised interest of their followers, empowering, assuring and motivational towards their followers (Bass, 1985) (Yue & Akhtar, 2013). High degrees of referent and inspirational power is also an element that characterises transformational leaders (Bass, 1985). This referent, motivational and inspirational power enables these leaders to gain the admiration, respect, and trust of their followers. They are also recognised as perceived role models who wield significant influence on followers which in turn fosters a sense of meaning in the leader-follower relationship (Bass, 1985; Yue & Akhtar, 2013)

Furthermore, since empowered followers have a heightened sense of psychological self-worth and significance, they are likely to have a stronger identification with their organization and thus be proud members of that organisation (Wang & Lee, 2009) (Zhu et al., 2012). What is noteworthy is as much as power is bestowed upon the leadership by the followers there is an intrinsic sense of empowerment that transformational leaders impart upon followers.

Dinh et al., (2014) suggested that there is a heightened increase in interest on identity-based perspectives. They suggest that identity based perspectives consist of the social identity theory of leadership which they further suggest describes the emergence of a leader as resembling group members' perception of a prototypical leader. There is a

business (commercial) as well as a theoretical (academic) need for this study. The theoretical need is premised in the expansion and extension of leadership research and the extension of leadership into applied psychology. The business need for this study is premised on the requirement of business to have effective leaders that deliver on the shareholder's expectations. Harnessing the employee's ability to look beyond self-interest in favour of organisational goals is the function of effective transformational leadership.

Accepting that transformational leadership is highly effective amongst leadership theory on its own does not shed light into why this is so. A sense of social identity within organisations propels employees to act in the best interest of the group because of the sense of belonging to the in-group. DeWall et al. (2011)suggested that shared power is understood to create a sense of obligation towards the in-group and that encourages a group member to make efforts and sacrifices to do what is in the best interest of the group. The study seeks to understand the relationship between transformational leadership, power and social identity.

According to Dinh et al., (2014) emerging leadership theories has found that interest in strategic leadership approaches is the most prolific of the emerging leadership theories of any of the emerging thematic categories. Research has shown that the outcomes of transformational leadership are woven and mediated through processes such as, empowerment, efficacy trust, and identification (Walumbwa & Avolio, 2008).

Is there a distinction between culture and social identity? Burns, 1978 hypothesises that culture represents the collection of attitudes, beliefs, policies, values and traditions that form a pervasive context for what we do and think in an organisation. He considers organisational culture to be the sum of a number of different influences namely, the organisation's history and past leadership, the society's values and characteristics. He argues that organisations are small-scale societies and can therefore be expected to exhibit evidence of their own inbred or cultural characteristics. These characteristics, sometimes unconscious, are historically and context based and learned over time. Social identity therefore rests heavily on the culture of the group or organisation that evolves over time influenced by context leadership and group dynamics. The culture or social identity is in bred; therefore in-groups and outgroups develop as a result of conformity or non-conformity. Because society does not exist in a vacuum leadership either emerges

or is created by the stronger elements of the group, the in-group. Members of the in-group therefore feel proud of the emergent prototype and are willing to subordinate self-interest for the benefit of the group to this emergent prototype. They feel secure, certain of who and what they are, their relevance, existence and dominance and will go to great lengths to promote and protect prototypically led in-group. This is social identity that shall be discussed at length in the next sub-heading.

## 2.4    Social Identity theory

According to Ashforth & Mael (2011) social identity theory suggests that people tend to conveniently classify themselves and others into various social categories which are defined by prototypical features abstracted from the members of the group. These idealised features of a group are largely shaped by the leader and the followers then emulate the superordinate figure individually. Hogg (2016) credited the origins of the Social Identity Theory to Henri Tajfel's theory of intergroup relations, conflict and cooperation. Hogg (2016) suggested that Tajfel (1982)'s theory has developed into an expansive social psychological theory of self-identity, in-group and intergroup behaviours rooted in nuanced and contextual group dynamics. Tajfel (1982) defined Social Identity as an aspect of a person's self-concept emanating from their knowledge of their social group membership, together with the value and emotional significance of such membership. Tajfel's (1982) definition indicated the importance of group membership which would be important for leaders in forming unique relationships with sections of their followers, due to time pressures as Avolio & Bass (2004) suggested. This sense of belonging to a group is followed by a strong sense of protection of this group, enhancing positive uniqueness and positive social identity and behaviours that characterise one group, setting it apart from other groups (Hogg, 2001). The sense of protection is a dyadic relationship wherein the followers feel a sense of protection and relevance. In turn, the leader exhibits protectionist effects towards the group creating a great sense of belonging and interdependence. This aspect of social identity significantly affects social psychology.

Social identity can take the form of gender, nationality, ethnicity and geographical location but does not necessarily have to take this form. Those are the lowest characteristics in the social identity curve and can be overtaken by most emergent or

prevalent ones being such as culture, rearing, proximity and association. These take on a life of their own and create a social identity that calibrates and unites against any primary differences that can and often does exist.

Social Identity encourages social attraction and fosters selflessness in favour of the greater group vision. This depersonalization eliminates uncertainty and insecurity because of the assimilated assumption that behaviours, feelings, attitudes and perceptions are now prescribed, validated and accepted by other in-group members. This enables the transformational leader to rally this social attraction and selflessness in the interest of the wider group or organisation through the support of the group.

Fritsche et al. (2013) on the other hand saw social identity theory as a perspective that contemplates why and when individuals perceive themselves to be members of the group and in particular serve to define their self.  Obst, White, Mavor, & Baker, (2011) further suggested that cognitive processes, emotional associations and interdependence between group members are the fundamental aspects of social identity. The relationships between leaders and followers are therefore emotions based and strengthened by interdependence.

Social psychology avers that  human identity includes a subjective sense of sustained existence over time and space (Smeekes & Verkuyten, 2013). The need to preserve that then becomes fundamental to the in-group as these relationships are motivated by self-esteem and driven by the psychological need for self-preservation and continuity suggests (Smeekes & Verkuyten, 2013) citing seminal work of Greenberg, Solomon, & Arndt, 2008; Sani, Bowe & Herrera; Vignoles, 2011. The aforementioned emotional attributes speak to the deeply psychological relationship between a leader and follower, confirming the need for an overlap in realms of leadership and applied socio psychology.

Steffens, Haslam, Reicher, et al. (2014) suggested that to be effective as leaders, such leaders should be perceived to 'be one of us' (identity prototypicality), and also be perceived to work in the interests of their followers (identity advancement), be perceived to be identifying with the followers (identity entrepreneurship) as well as being perceived to entrench the values of the followers (identity entrenchment). This leader must thus be prototypical and embody the values and characteristics of the company. Once again, Mr Barack Obama exhibits the traits of prototypical social identity. His ability to unite his

country around the cause of uplifting the country and its economy out of the murky clay in which it was stuck. On the identity advancement, Mr Obama reflected the pursuit of the American dream and the sharing of the countries resources. He poised himself as the saviour of this American dream, all things granted and harping on entrenching of the values of all American whatever the base was. There can be an argument that the context of the United States of America was unique at the time of his presidential campaign as the country was experiencing an economical free fall. The people were hopeless and that made them vulnerable to any message that delivered any element of economic hope. Mr Obama simply acted prototypically at an opportune time. However, in practice, this suggests that leaders also have to act in terms of a shared group membership in order for followers to respond positively to their influence attempts (Steffens, Haslam, & Reicher, 2014). His success rate alone bears testament to this.

Research conducted by (Smeekes & Verkuyten, 2013) considered the need for self-preservation and self-continuity from in-groups. The in-group sensation drives the in-group defensive tendencies in the context of an identity threat. Strong social identity suffers from confirmation bias in that it will seek self-preservation as opposed engaging with the threat at hand, to the extent that it may be oblivious to other risks on the horizon. Faced with a militating threat, the in-group suffers from an escalation of commitment bias akin to those involved in manipulative occult environments. Rather than deal with a defective leader, the occult will go to great lengths to self-preserve, protect and provide self-continuity. Social Identity has such dark elements even in organisations wherein the executive will rally around an inapt leader in order to self-preserve, have self-continuity and stronger identification. The combination of social identity and power is a strong force that can be used for good in the presence of apt leadership. Smeekes & Verkuyten, (2013) finds that social indemnity and collective self-continuity is a fundamental driver for group identification and in-group protection in the face of identity threat. Social identity is after all premised in a heightened psychological sense of security for the in-group.

## 2.5   Power

Northouse (2012) discussed power with French and Raven's (1959) who conceptualised power from the context of a dyadic relationship that included both the person influencing and the person being influenced. The framework identifies five common and important power bases. These are referent, expert, legitimate, reward and coercive power. The

referent power that Bass (1985) spoke about is based on followers' identification and liking for the leader and is most associated with transformational leaders. It is not surprising that transformational leadership has an element of charisma through which in turn the base for referent power.

A crucial question is where does a leader's power emanate from? Do leaders have the power inherently or do followers surrender or give over power to leaders? Alternatively, does the fundamentals arise from both? Hughes (1993) alleges that there are five sources or bases of power with which an individual can potentially influence others. The most general way to classify these power sources is outlined in the distinction of position power and personal power (Bass, Bernard M and Avolio, 1994). Position power includes influence derived from legitimate authority, control over resources and rewards, control over punishments and control over information. Personal power includes influence derived from task expertise, influence based on didactic relations, friends and loyalty. Position and personal determinants of power interface frequently and in complex ways, which leads to a difficulty in distinguishing between them (Hughes, 1993). This is evident in Figure 3 below:

Figure 5: Source of leader Power
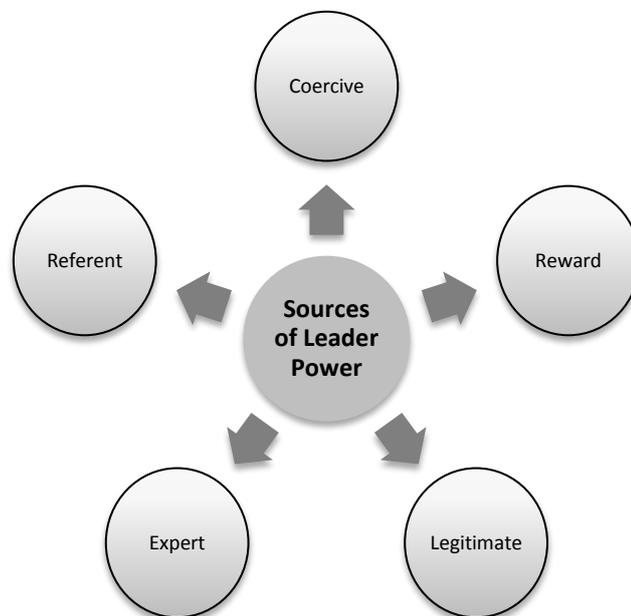


Source: (Hughes, 1993).

Expert power is fundamentally a function of the leader; referent power operates as a relationship conduit between leaders and followers; coercive power is primarily a function of the leader and the cross-cultural context; legitimate power is a function of the cross-cultural context and finally reward power involves all three. Following is a more detailed discussion by Hughes, 1993 regarding the five bases of social power.

**Expert Power:** Expert power is the power of expertise or knowledge; this power provides the ability to influence others through relative expertise in particular area(s). Because expert power is a function of the amount of knowledge one possesses relative to the rest of his group members, it is therefore possible for followers to have considerably more expert power than leaders in certain situations. Hughes (1993) argued that, new leaders often possess less knowledge of their tasks to be performed than followers do. As long as different followers have considerably greater amount of expert power, it will be difficult or even disastrous for a leader to influence the work unit on the basis of expert power alone. Advocate Gerrie Nel and Advocate Barry Roux cemented, at least for South Africans, their legal expert power in the prominent South African case that was broadcast internationally. This cemented their position not only in the legal fraternity but also with South Africans at large by their display of expert legal expertise in the South African criminal courts.

**Referent Power:** Referent power refers to the potential influence one has due to the strength of the relationship between the leader and the followers. Referent power often takes time to develop, furthermore it can have a downside in that a desire to sustain referent power may limit a leader's actions in particular situations. Therefore, referent power is a two-way street; the stronger the relationship, the more influence leaders and followers exert over each other. Hughes (1993) emphasized, that just as it is possible for leaders to develop strong relationships with followers and in turn acquire more referent power, it is also possible for followers to develop strong relationships with other and acquire more referent power. This is of particular interest in transformational leadership. Mr Barack Obama was able to gain and preserve referent power in the exemplary way in which he untitled and led the citizens of the United States. This can be said of the statesman Mr Nelson Mandela. He was able to, over time gain the confidence of his opponents whilst retaining the support of his proponents. His humility, idealised influence, intellectual stimulation, wisdom, individualised consideration and undoubted

inspirational motivation not only made him a transformational leader but also gave him referent power for both proponents and opponents.

**Legitimate Power:** Legitimate power depends on an individual's organisational role, it can be thought of as formal or official authority. It is important to note that legitimate authority, power and leadership is not identical. There is a difference between holding a position and being a leader, despite the common practice of calling position holders in bureaucracies the leaders. Leadership is a process of influence that depends on the leader and follower. It is also possible for followers to use legitimate power to influence leaders; followers can actively resist a leader's influence attempt by only doing work specifically prescribed in job descriptions, bureaucratic rules or union policies. This often occurs in the democratic states of government through the process of a majority vote. In this case, then the followers will have successfully used legitimate power to influence their leader. Legitimate power is that bestowed on democratically elected state presidents based on their majority vote. Those that did not vote or voted against such president are still bond to acknowledge him or her a president because of the legitimacy of his election rather than any other preference or process of acknowledgement.

**Reward Power:** Reward power involves the capacity to influence others due to one's control over desired resources. This can include, and is not limited to, power to give pecuniary allowances, raises, bonuses, and promotions. The potential to influence others through the ability to administer rewards is a joint function of the leader, follower and social identity context. Utilization of reward power can be an effective way to change the attitudes and behaviours of others, although there are situations where a leader's use of reward power problematically or to his own demise. An overemphasis on reward as payoff for performance may lead to resentment and feelings by workers of being manipulated, especially if it occurs in the context of relatively militant or cold and distant superior-subordinate relationships. Hughes (1993) also highlighted that under some conditions extrinsic rewards can decrease intrinsic motivation towards a task and makes the desired behaviour less likely to persist when extrinsic rewards are not available. In instances where the followers rank fairly low on the Maslow's hierarchy of needs, these challenges can be aggravated. Reward power is such that it can forego competence in pursuit of the attainment of cash power. The South African government is such an example where many can argue that those in senior positions are often placed on the basis of reward power at the behest of the state president.

**Coercive Power:** Coercive power, the opposite of reward power, is the potential to influence others through the administration of negative sanctions or the withdrawal of positive events. Like reward power, coercive actions is largely a function of the leader, but the situation often limits the coercive actions a leader can take. Coercive power, like reward, can be used appropriately or inappropriately. It is also possible for followers to use coercive power to influence their leader's behaviour. A leader may be hesitant to take disciplinary action against a larger-than-life, emotionally unstable follower. Hughes (1993) argued that in all likelihood, followers will be more likely to use coercive power to change their leader's behaviour if they have a relatively high amount of referent power with their fellow co-workers. This may be particularly true if threats of work slowdowns or strikes are used to influence a leader's behaviour.

Although power is an extremely important concept, having power is relatively meaningless unless a leader is willing to exercise it. The exercise of power occurs primarily through the influence tactics leaders and followers use to modify the attitudes and behaviours of one against the other. Being able to use influence tactics that modify followers' attitudes and behaviours in the desired direction at the same time build up followers' self-esteem and self-confidence should be a skill all leaders strive to master. Coercive power sometimes exhibits itself in instances of "gang of thieves" where one is unlikely to oust the other in the fear of being implicated. Such influence also finds itself in situations for untoward relationships such that open party uses the ousting of such relationship to obtain, retain and exercise coercive power.

Mooijman, van Dijk, Ellemers, & van Dijk (2015) as well as Magee & Smith (2013) defined power as the disproportionate control over critical resources. The ability to control resources and the outcomes of others is synchronised with the ability to effect punishment on the nonconforming individuals or group. This unbalanced control benefits those in power. Accordingly, those in power are less dependent on the dissenting others, the out-group. Because of this dynamic, it requires no effort and in fact serves the power holders to disregard social norms focusing only on their own goals and perhaps self-interest.

The ability to be in power infers that there are those who are not in power and thus creating a dependence relationship especially where there are limited resources. Those

in lesser positions of power and dependant on those in higher positions for their desired results and vice versa (Magee & Smith, 2013). Power is thus the separating force in the social context. Those in power have the ability to ponder about what is luxuriously desirable as opposed to those in lesser positions of power whose thoughts are limited to what is feasible and necessary (Magee & Smith, 2013). This already places those in power with the responsibility of being visionary and forward thinking in their leadership.

In this context, power is defined as the capacity to control and influence the outcomes of other people's conduct by punishing or rewarding them (DeWall, Baumeister, Mead, & Vohs (2011), Mooijman, van Dijk, Ellemers, & van Dijk (2015). For this research, leadership roles are understood and accepted as roles that have and can exercise power over others. DeWall et al. (2011) suggested that power increases initiative and cognitive control, irrespective of whether such initiative and control are implemented in the context of one's powerful role. DeWall et al. (2011) further suggested that power increases goal-orientated behaviour and awareness from followers.

Hogg (2016) suggested that because of the follower depersonalisation that assimilates follower behaviour to them, prototypical leaders, do not necessarily have to exercise power to influence others. Hogg (2016) argued that prototypical leadership do not need to exercise their power to have influence. Prototypical leaders are influential because of their position and the depersonalisation process that assimilates members' behaviour to the prototype (Hogg, 2016). According to (Hogg, 2001) there may even exist an empathetic bond between the prototypical leader and the follower that protects against any desire to abuse the power bestowed upon the leader. In support of this Epitropaki et al. (2017) asserted that prototypical leaders have inexplicably more influence over group members than those that are non-prototypical. Influence is the ability to dominate for certain results, individuals or organisations to your liking. This is a form of power. Prototypical leaders that embody the group's social identity have considerably more power over the members of the group.

The fact that power offers material, social and psychological benefits makes it a desired social commodity (Rios, Fast, & Gruenfeld, 2015). This ability to influence resources has benefits desired by many at different levels. This inward looking concern comes with agentic tendencies to pursuer rewards. Depending on where one is in the Maslow's

Hierarchy of Needs, the fulfilment and perhaps conquering of one's needs leaves one eager to pursue and conquer at the next level.

## 2.6    Conclusion

This chapter has looked at various forms of leadership and focused on transformational leadership. Leadership is a transactional process of social influence that plays itself out in the presence of the leader and followers. Leader member exchange propagates that these relationships are marked by mutual trust, respect, liking, and reciprocal influence between the leader and the follower. The followers (in-group) receive a sense that they are more fitting; receive more information, influence, confidence, and concern than out-group members. This chapter has explored the relationship between transformational and charismatic leadership with the conclusion that charismatic leadership alone cannot and does not spur on superior performance in organisations. However, charisma is an important element in transformational leadership because of idealised influence and inspirational motivation that it offers.

Researchers have in the past advocated for leadership integration, (Dansereau et al., 2013) agreed with Stodgily (1974 p8) who noted that leadership research has led to an "endless accumulation of empirical data" that "has not produced an integrated understanding of leadership". There certainly is a need for the integration of leadership theories on their own, however, this research shall not focus or address this integration.

The work of Anderson & Sun, (2015) further stressed the need for concept crystallisation in management research and the requirement for  precise categorical distinctions between theories whilst acknowledging seminal relations and progress. This is particularly important in the burgeoning yet fragmented and wanting literature on leadership styles. The gap in research is the relationship between transformational leadership and social identity in the context of power.

Specifically, what seems to require scholarly attention is the analysis of the underlying psychological process or contextual factors that make transformational leadership desirable or effective. As the definition of leadership expressly includes the group or the collective, a study of leadership devoid of applied psychology and organisational behaviour does not and cannot take leadership literature and theory forward.

Social identity is the glue that holds organisations together and this glue is heavily contented and jealously guarded by those in the in-group. The preservation of social identity is fundamental to the in-group as it signifies continuity, preservation and security. Power has been summaries as the ability to influence for a common purpose with the ability to punish and reward behaviours. In organisations, power becomes critical, as it is a motivator for outputs.

In responding to the problem statement canvased in the previous chapter and bearing in mind what the literature has illustrated the next chapter looks at crystallising the research questions that will be our core focus of analysing the relationship between transformational leadership, power and social identity.

# Chapter 3: Research Questions

## 3.1   Introduction

The review of literature in Chapter 2 suggests that transformational leadership is predicated by a sense of social identity and cohesion in an organisation. The more transformational leadership exists in an organisation; a stronger sense of social identity will be created or exists in the organisation. While power has clearly been established as a variable in the relationship between transformational leadership and employees' social identity groups, literature has not explicitly indicated what the relationship between the three constructs, transformational leadership, power and social identity is.

Steffens, Haslam, Reicher, et al., (2014) hypothesises that responses to leadership depend upon the degree to which followers identify with a leader in relational terms. The success of leadership is dependent on the extent to with the followers identify with the leader. Transformational leadership positively predicts personal identification with the leader as well as social identification with the group (Epitropaki et al., 2017). Employees under transformational leadership are likely to be motivated, inspired, creative and place the best interest of the group ahead of self-interest. On the basis of this literature and with the desire to explore how the constructs relate to each other, the research questions below were formulated.

## 3.2   Research Questions / Hypothesis

The overarching question that this research seeks to answer is, what is the relationship between transformational leadership, social identity and power is in organisations? In answering this question, the answers to the following related questions will be answered. The related questions are:

- **Research Question 1**: Is social identity related to transformational leadership in an organisation?
- **Research Question 2**: Is the power of a leader related to transformational leadership?
- **Research Question 3**: Does a sense of perceived power predict social identity?
- **Research Question 4:** Does a perceived sense of power mediate the relationship between transformational leadership and social identity?

## 3.3    Conclusion

This chapter has reviewed literature based upon which this study intends to build. Literature suggests that transformational leadership predicts personal identification with the leader and social identification with the leader. The hypothesis begin with investigating whether social identity is related to transformational leadership within an organisation. In order to arrive at sound conclusions and meaningful business and academic contribution the final hypothesis considers a sense of power as a mediator in the relationship between transformational leadership, power and social identity.  The next chapter considers the research methodology and design on how the study was conducted.

# Chapter 4: Research Methodology and Design

In chapter 3, the overarching research question that this research sought to answer was presented as well as the related follow-up questions. This chapter presents the research methodology and design that was followed in conducting this research. The appropriate research methodology and design contributes towards valid and reliable results. This chapter elects and justifies the choice of methodology. Research strategy and method is discussed in the context of what is possible. Measurement instruments were considered and assessed for reliability and validity. Through an assessment of existing literature. Data gathering and the process discussed herein is based on the population, units of analysis, measurement instruments, data gathering process, analysis approach and limitations

## 4.1    Choice of methodology

Kothari (2004) indicates that research philosophy is the overall term that relates to the development of knowledge and the nature of that knowledge in relation to the research. This research sought to quantitatively analyse the relationship between transformational leadership, power and social identity. In conducting the research, the process was guided by what is possible. Accordingly, the research philosophy adopted was pragmatic. According to Hanson, Creswell, Clark, Petska, & Creswell 2005) pragmatism "draws on many ideas including using "what works," using diverse approaches, and valuing both objective and subjective knowledge (p. 226).

The most important determinant of the research philosophy implemented is the research questions and objectives since they are key in the outcomes of the research. The research approach taken was able to demonstrate the relationship between the variables tested. The purpose of a research design is to demonstrate how the data of maximum relevance shall be collected with minimal outflow of money, time and effort.

## 4.2    Research Strategy and Method

The strategy taken in this research was the deductive strategy. According to Zikmund, Babin, Carr, & Griffin (2010) the deductive strategy is used for testing known general positions. The research followed the five chronological phases in deductive research outlined by Saunders & Lewis (2012). These are:(a) using the general theory that exists

to define the research question; (b) operationalising these questions; (c) seeking questions defined in stage 1 and this chapter responds to method of how these answers were sought as best aligned to fully test the relationships; (d) analysing results of the research to check what it then meant for the theory(s) being tested; (e) confirming the initial general theory or suggests the need for its modification in light of the findings.

The research method adopted for this research was quantitative and explanatory in nature as it focused on observing the sample in order to explain the relationship between the variables: transformational leadership, power and social identity in the context of power and influence. The research sought to understand the relationship between transformational leadership and social identity by learning from the individuals in the South African financial services sector.

## 4.3    Population

The population for this research was junior and middle managers in the private and public sectors of the financial services industry in South Africa. The research explicitly excluded leaders in the organisations as their responses were deemed to have the potential of lacking objectivity and would therefore distort the results.

## 4.4    Sampling, method and size

A sample was defined by Zikmund, Babin, Carr, & Griffin, (2010) as a subset of the population that is the focus of the study.  Roger (2015) on the other hand defined sampling as a process of selecting a sufficient number of the right elements from the population.

Sampling is the selection of a section of the population as the objects of the study based on criteria set by the researcher. A non-probability sampling model was adopted for this study, as the researcher did not have a complete list of the population to determine a sampling frame. Creswell, (2012) defined a sampling frame as a complete list of the total population. In the case of this study, a complete list of the population would be all junior and middle management in private and public financial institutions in South Africa. In addition, a complete list of the population would have included all junior and middle managers in the financial services organisations in South Africa. The research did not gain access to all such organisations in South Africa. The sample for this research was

selected from junior and middle managers at various financial services institutions in South Africa.

Responses were received from 124 respondents. The large number of completed questionnaires contributed towards the reduction of sampling error. The method was the non-probability, random sampling. According to Teddlie & Yu (2007) random sampling occurs when each sampling unit has an equal chance of being included in a clearly defined population.

## 4.5    Unit of analysis

Creswell (2012) suggests that determining the unit of analysis was a critical element in research and formed part of the consideration during the phase of research question formulation were middle management in the financial services sector of no less than 7 years' experience.

## 4.6    Data Gathering and Measurement instruments

Data was collected through electronically administered and dispatched questionnaires. The questionnaires were sent directly to the sample with weekly reminders to complete the questionnaire. These  questionnaires adhered to the guidelines suggested by Roger, (2015) regarding general appearance, a good introduction and logical, well-structured and neatly aligned questions.

Seminal studies on transformational leadership empirical studies are generally and mostly questionnaire based, with the Multifactor Leadership Questionnaire (MLQ) developed by Avolio & Bass (2004) being the most widely used tool. The second most commonly used measurement tool is the Transformational leadership Inventory developed by Anderson & Sun (2015). The MLQ measurement tool was used in this research.

The Multifactor Leadership Questionnaire developed by Avolio & Bass (2004) was used to test transformational leadership whereas the Aspects of Identity Questionnaire by Cheek & Briggs (1982) was utilised to examine social identity. These measurement instruments have been tested for validity and reliability in prior research and were therefore considered adequate for determining the validity and reliability of this

researcher. The Power Inventory as created by the researcher was the instrument used to test for the power dynamics in the sample.

### 4.6.1   Multifactor Leadership Questionnaire ("MLQ")

#### *4.6.1.1        Inspirational Motivation*

The first of the transformational scales was Inspirational Motivation. The articulation and demonstration of a vision by the leader, which proclaims that, followers are motivated by looking at the future with a positive attitude, (Avolio & Bass, 2004).

#### *4.6.1.2        Idealized Influence*

Second on the scale was Idealized Influence (attributed). This is the ascription of charisma to the transformational leader. "Because of the leaders` positive attributes (e. g. perceived power, focusing on higher-order ideals and values), followers built close emotional ties to the leader. Trust and confidence is likely to be built in followers. Idealized Influence (behaviour) emphasizes a collective sense of mission and values, as well as acting upon these values" (Avolio & Bass, 2004).

#### *4.6.1.3        Intellectual Stimulation*

Third on the scale was Intellectual Stimulation. This is extensive but includes "challenging the assumptions of followers` beliefs, their analysis of problems they face and solutions they generate" (Avolio & Bass, 2004).

#### *4.6.1.4        Individualized Consideration*

Lastly on the scale was Individualized Consideration which is characterised by considering in particular the individual needs of followers and harnessing their individual strengths (Avolio & Bass, 2004)

### 4.6.2   Aspects of Identity Questionnaire "AIQ"

To measure social identity the Aspects of Identity Questionnaire (AIQ-IIIx) developed by Cheek& Tropp (1994) was used. The AIQ-IIIx has 34 Likert-scale questions related to personal identity (PI), social identity (SI), collective identity (CI) and other special items not covered in the aforementioned identity orientation. Personal identity is considered in relation to individual values, thoughts, and characteristics. Social identity is considered in relation to prominence, reputation, and social roles relative to others. Collective identity is assessed in relation to a sense of belonging within a larger group.

Figure 6: Aspects of Identity Questionnaire (Cheek & Briggs, 1982)
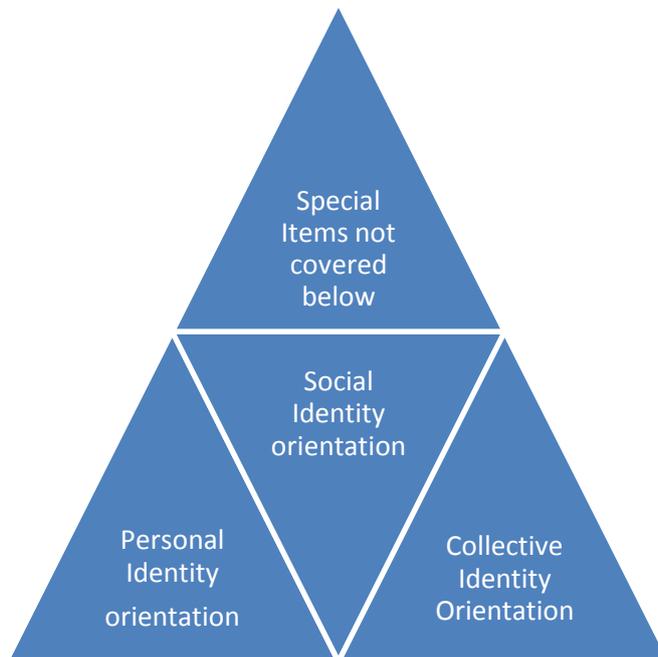


Source: Cheek and Briggs (1982)

AIQ was developed by Cheek, JM and Briggs, SR in the years 1981 and 1982. This work was a development from Sampsons (1978) who had developed identity characteristics that represented realms of personal and social identity (Cheek & Briggs, 1982). The questionnaire contains four items that seek to determine social identity by investigating:

- Personal Identity Orientation (PIO);
- Social Identity Orientation (SIO);
- Collective Identity Orientation (CIO); and
- Special Items (SI).

#### 4.6.2.1 Personal Identity Orientation ("PIO")

These questions pertain to self or individual, which reflects one's private beliefs about psychological traits and abilities. The other element being tested is relational self, which reflects how one sees himself or herself in the context of intimate relationships.

#### 4.6.2.2 Social Identity Orientation ("SIO")

The questions pertain to the self in the social context. This is the reflection of one sees themseves in the general interpersonal context. Included in this assessment is the social roles and reputation.

### 4.6.2.3 Collective Identity Orientation ("CIO")

This is the assessment of the self within the collective reflecting how one represents the various group identities.

### 4.6.2.4 Special Items ("SI")

These items relate to those important to social identity but not scored on the scales above.

## 4.6.3  Power

The power inventory was created by the researcher to test for the power dynamics in the sample from the perspective of the employees. The questionnaire was generated through the consultation of available literature. The questionnaire was designed to test particularly whether the leader was perceived to have power over his constituents based on their perceived degrees of social identity and the extent of the power. The questionnaire integrated five subscales of power: reward, coercive, expert, referent legitimate and information powers. Furthermore, reward is subdivided into personal and impersonal power, coercion is also subdivided into personal and impersonal power, and finally legitimate is subdivided into position, reciprocity, equity and dependence power.

The customised questionnaire went beyond the power bases to test for charisma and influence. Charisma is strongly associated with transformational leadership. Given that the power questionnaire had not been tested for validity and reliability, it was tested with Cronbach alpha used to measure consistency.

The questionnaires were dispatched via email by the researcher. With the questionnaire was a cover letter that assured confidentiality and a provision for opt out at any time. The researcher also enlisted the assistance of an inside employee to expedite data collection by regularly reminding the sample to complete the questionnaire. The data gathering process took 6 weeks. Supervision was necessary to ensure that the quality of the data is accurate.

## 4.7  Analysis approach

As the study looks at functional relationships existing between more than two variables, the correlation coefficient and linear regression analysis was used. The research sought to test the relationship between transformational leadership (an independent variable)

and social identity (as the variable) and power (as the dependent variable). For this reason, a correlation analysis was used to determine the relationship between the variables. A correlation matrix shows relationships between two variables only. A linear regression can be used on 2 or more variables.

The correlation tests aimed to determine whether there was a relationship between the variables. If there was a positive relationship between two variables, the correlation coefficient was be positive and its value ranging between 0 and 1. The closer the value was to 1 the stronger the relationship between the variables. Whereas, if there was a negative relationship the correlation coefficients were to be negative and its values ranging between -1 and 0. The closer the value was to the -1 the stronger the relationship between the 2 variables. After determining that there was a significant correlation between variables, regression analysis was done to determine whether or not social identity and power can be attributed to the success of transformational leadership.

A simple linear regression was used to test the relationship between transformation leadership on the one scale and transformational leadership and power on the other scale. Regression analysis was the determination of a statistical relationship between the variables. This analysis approach is employed when the researcher has one dependent variable a function of two or more independent variables. The aim was to make a prediction about the dependent variables (social identity and power) based on their relationship with the independent variable concerned (transformational leadership). In regression analysis, the coefficients of the independent variables were estimated to determine how much effect transformational leadership has on social identity and on power. Frequency tables were used to calculate the amount of times a question was answered. This offers us an overall view on how respondents answered the questions. Descriptive statistics will be done before any analysis is made. Descriptive statistics is important because it gives us the basic features of the data, which might explain some of the results from the analysis.

## 4.8   Verification and Validity

The research was verified to ensure that it is believable. Verifying and validity was crucial factor in strategy design. All factors that threaten the validity of the research design were eliminated. The principal factors that the researcher guarded against were the subject

selection (representation of the subject selection), testing (the effects of data collection), mortality (the loss of subjects during the research) and ambiguity about causal direction (Saunders & Lewis, 2012), as applicable.

## 4.9 Limitations

The research was conducted within a 5-month period and this was a limitation as far as the extensiveness of the study is concerned. The study was limited to middle management individuals in financial services organisation. The geographic location of the researcher did influence the responses expected and received. The study was therefore limited to Gauteng's financial services institution.

Power in relation to transformational leadership can be further investigated in the context of all power bases. This research was limited to the focus created by Bass (1985) of the existing relationship between transformational leadership and reverent power. The researcher was bound by existing literature.

The research project was under severe time constraints as the researcher's concentration was also extended to full time employment. Transformational leadership (by the leaders) was not considered through the leaders' perspective. The study was focused on transformational leadership and did not provide the analysis of the impact of all leadership styles on social identity and power. The nature of the study being a snap shot of perceptions and opinions at a certain period in time does not track the continuous or on going perceptions of respondents.

## Conclusion

This chapter analyses the research methodology and design adopted for the study. Limitations of the research were also canvased. Results are context and sample dependant and thus limitations must be stated as they are so that one is aware of possible data distortions, if they arise.

# Chapter 5 Results

## 5.1 Introduction

In Chapter 4 of this document, the research methodology and design was outlined. The research was conducted according to that methodology and design. In this chapter, the results of the study will be presented statistically. The chapter will commence with describing the demographics of respondents. This chapter will consider the results per hypothesis presented in Chapter 3. The chapter will consume with a summary of the results.

## 5.2. Descriptive Statistics

### 5.2.1. Characteristics of respondents

Figure 7: Respondents by gender
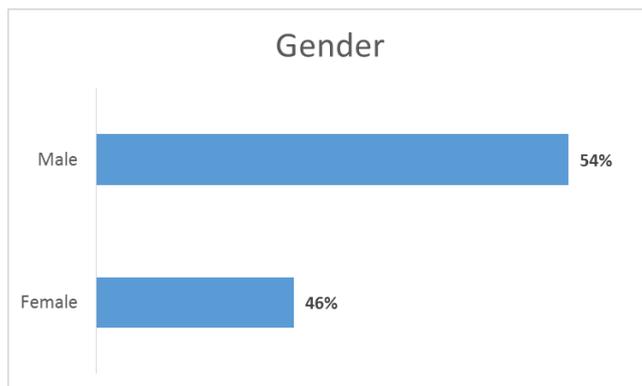


The respondents has 54% males and 46% females.

Figure 8: Respondents by age group
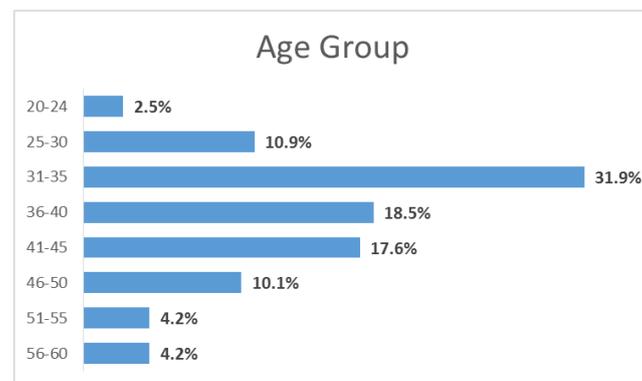
The majority of the respondents (31.9%) were between the ages of 31 and 35. This was followed by respondents between the ages of 36 and 40 who made up 18.5% of the respondents. The third largest group, at 17.6%, was between the ages of 41 and 45.

Figure 9: Percentage of financial services respondents
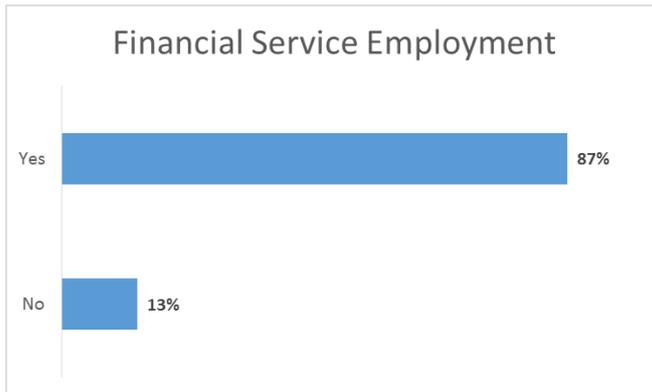


87% of the respondents were employed in the financial service sector in South Africa.

Figure 10: Respondent's employment tenure
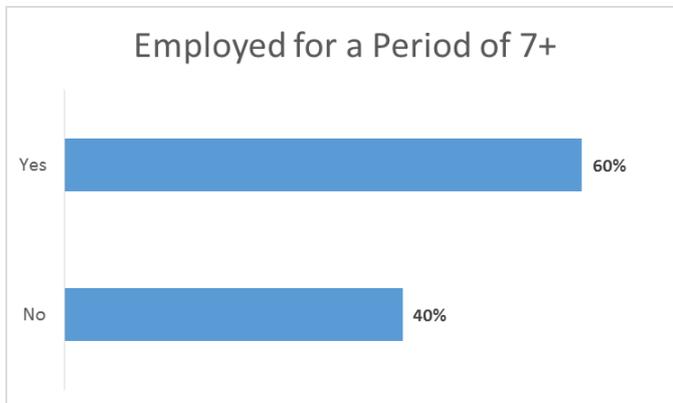


60% of the respondents have been employed for not less than 7 (seven) years in the financial service sector in South Africa.

Figure 11: Educational level of respondents
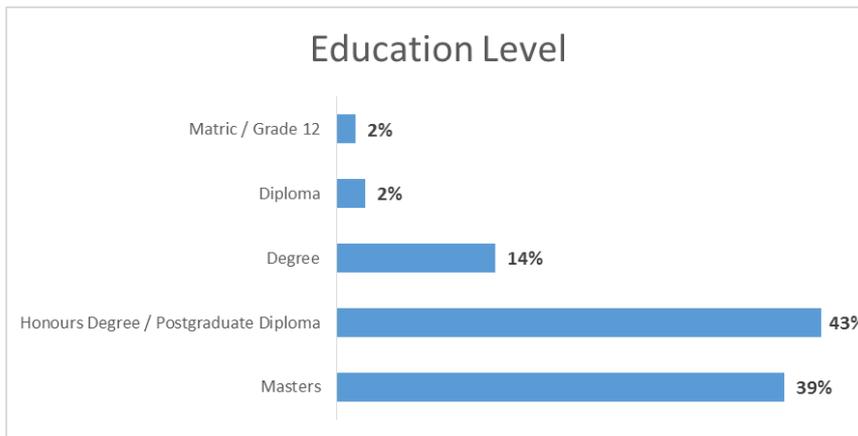


82% of the respondents have either an Honours degree / Postgraduate diploma or Masters with only 2% having just a Matric as their highest education level.

## 5.2  Multifactor Leadership Questionnaire (Employee version)

Table 1 below tabulates the frequencies and percentages of employee versions of leadership style.

Table 1: Frequencies and percentages of employee versions of leadership style

| Leadership (employee version) | | Not at all | Once in a while | Sometimes | Fairly often | Frequently, if not always |
|---|---|---|---|---|---|---|
| Do you know where you stand with your leader | Freq | 11 | 15 | 28 | 36 | 18 |
| | % | 10.2% | 13.9% | 25.9% | 33.3% | 16.7% |
| Do you usually know how satisfied your leader is with what you do? | Freq | 16 | 11 | 22 | 42 | 16 |
| | % | 15.0% | 10.3% | 20.6% | 39.3% | 15.0% |
| How well does your leader understand your job problems and needs? | Freq | 8 | 24 | 30 | 34 | 11 |
| | % | 7.5% | 22.4% | 28.0% | 31.8% | 10.3% |
| Regardless of how much formal authority your leader has built into his or her position, what are the chances that your leader would use his or her power to help you solve problems in your work? | Freq | 12 | 20 | 21 | 34 | 19 |
| | % | 11.3% | 18.9% | 19.8% | 32.1% | 17.9% |
| How well does your leader recognize your potential? | Freq | 12 | 23 | 21 | 35 | 15 |
| | % | 11.3% | 21.7% | 19.8% | 33.0% | 14.2% |
| Is the working relationship with your leader effective? | Freq | 13 | 15 | 23 | 34 | 20 |
| | % | 12.4% | 14.3% | 21.9% | 32.4% | 19.0% |
| Regardless of the amount of formal authority your leader has, what are the chances that he or she would "bail you out" at his or her expense? | Freq | 31 | 20 | 26 | 19 | 11 |
| | % | 29.0% | 18.7% | 24.3% | 17.8% | 10.3% |
| I have enough confidence in my leader that I would defend and justify his or her decision if he or she were not present to do so? | Freq | 15 | 19 | 18 | 37 | 16 |
| | % | 14.3% | 18.1% | 17.1% | 35.2% | 15.2% |

The frequency distribution of employee versions of leadership styles shows that:

- 33.3% of the respondents fairly often knew where they stood with their leaders;
- On the other extreme, 10.2% did not know where they stood with their leaders;
- 39.3% of the respondents fairly often knew how satisfied their leaders were with what they did;
- 31.8% of the respondents fairly often understood the job problems and needs of employees;

- 32.1% of the respondents believed that, fairly often, the leader used his/her power to help employees solve problems in their work;
- 33.0% of the respondents believed that their leader recognised their potential fairly often;
- 32.4% of the respondents fairly often believed that the working relationship with their leader was effective;
- 29% of the respondents believed that regardless of the amount of formal authority the leader had, he/she would never "bail you out" at his or her expense;
- 35.2% of the respondents had enough confidence in their leader that they would defend and justify his/her decisions if he/she were not present to do so.

## 5.4 LEADERSHIP DIMENSIONS

### 5.4.1 TRANSFORMATIONAL: Individualised Attributes dimension

Table 2: Individual attributes

| Individualised attributes | | Not at all | Once in a while | Sometimes | Fairly often | Frequently, if not always |
|---|---|---|---|---|---|---|
| My leader instils pride in me for being associated with him/her | Freq | 18 | 16 | 23 | 32 | 18 |
| | % | 16.8% | 15.0% | 21.5% | 29.9% | 16.8% |
| My leader goes beyond self-interest for the good of the group | Freq | 15 | 20 | 26 | 29 | 16 |
| | % | 14.2% | 18.9% | 24.5% | 27.4% | 15.1% |
| My leader acts in ways that builds my respect for him | Freq | 13 | 15 | 28 | 31 | 20 |
| | % | 12.1% | 14.0% | 26.2% | 29.0% | 18.7% |
| My leader displays a sense of power and confidence | Freq | 6 | 9 | 23 | 42 | 26 |
| | % | 5.7% | 8.5% | 21.7% | 39.6% | 24.5% |

The frequency distribution of employee version of leadership shows that:

- 29.9% of the respondents fairly often instilled pride in employees for being associated with the leader.
- Surprisingly 16.8 of the employees believed that that their leader did not at all instil pride in being associated with them;

- 27.4% of the respondents fairly often believed that the leader went beyond self-interest for the good of the group;
- The second significant number of respondents at 24.5% indicated that sometimes the leader went beyond self-interest for the good of the group;
- 29.0% of the respondents believed that fairly often the leader acted in ways that built employee respect for the leader;
- 39.6% of the respondents fairly often understood their leader to display a sense of power and confidence.

## 5.4.2 TRANSFORMATIONAL: Individualised behaviours dimension

Table 3: Individualised behaviour

| Individualised behaviour | | Not at all | Once in a while | Sometimes | Fairly often | Frequently, if not always |
|---|---|---|---|---|---|---|
| My leader talks about his/her most important values and beliefs | Freq | 14 | 19 | 30 | 31 | 13 |
| | % | 13.1% | 17.8% | 28.0% | 29.0% | 12.1% |
| My leader specifies the importance of having a strong sense of purpose | Freq | 10 | 9 | 22 | 39 | 25 |
| | % | 9.5% | 8.6% | 21.0% | 37.1% | 23.8% |
| My leader considers the moral and ethical consequences of decisions | Freq | 8 | 13 | 26 | 32 | 27 |
| | % | 7.5% | 12.3% | 24.5% | 30.2% | 25.5% |
| My leader emphasizes the importance of having a collective sense of mission] | Freq | 6 | 12 | 28 | 35 | 25 |
| | % | 5.7% | 11.3% | 26.4% | 33.0% | 23.6% |

The frequency distribution of employee version of leadership shows that:
- 29.0% of the respondents fairly often believed the leader to talk about his/her most important values and beliefs;
- 37.1% of the respondents fairly often believed that their leader specified the importance of having a strong sense of purpose;
- 30.2% of the respondents fairly often believe that the leader considered the moral and ethical consequences of decisions;
- 33.0% of the respondents fairly often believed that the leader emphasised the importance of having a collective sense of mission.

### 5.4.3 TRANSFORMATIONAL: Inspirational Motivation dimension

Table 4: Inspirational motivation

| Inspirational Motivation | | Not at all | Once in a while | Sometimes | Fairly often | Frequently, if not always |
|---|---|---|---|---|---|---|
| My leader talks optimistically about the future | Freq | 12 | 13 | 24 | 38 | 21 |
| | % | 11.1% | 12.0% | 22.2% | 35.2% | 19.4% |
| My leader talks enthusiastically about what needs to be accomplished | Freq | 9 | 13 | 23 | 33 | 29 |
| | % | 8.4% | 12.1% | 21.5% | 30.8% | 27.1% |
| My leader Articulates a compelling vision of the future | Freq | 15 | 11 | 26 | 32 | 22 |
| | % | 14.2% | 10.4% | 24.5% | 30.2% | 20.8% |
| My leader expresses confidence that goals will be achieved] | Freq | 8 | 16 | 23 | 30 | 28 |
| | % | 7.6% | 15.2% | 21.9% | 28.6% | 26.7% |

The frequency distribution of employee version of leadership shows that:

- 35.2% of the respondents indicated that their leader fairly often talked optimistically about the future;

- 30.8% of the respondents indicated that fairly often their leader talked enthusiastically about what needed to be accomplished;

- 30.2% of the respondents fairly often believed that their leader articulated a compelling vision of the future;

- 28.6% of the respondents indicated that their leader fairly often expressed confidence that goals would be achieved.

### 5.4.4 TRANSFORMATIONAL: Intellectual Stimulation dimension

Table 5: Intellectual stimulation

| Intellectual stimulation | | Not at all | Once in a while | Sometimes | Fairly often | Frequently, if not always |
|---|---|---|---|---|---|---|
| My leader re-examines critical assumptions to question whether they are appropriate | Freq | 9 | 17 | 32 | 33 | 16 |
| | % | 8.4% | 15.9% | 29.9% | 30.8% | 15.0% |
| My leader seeks differing perspectives when solving problems | Freq | 11 | 19 | 23 | 40 | 15 |
| | % | 10.2% | 17.6% | 21.3% | 37.0% | 13.9% |
| My leader gets me to look at problems from many different angles | Freq | 13 | 11 | 29 | 36 | 17 |
| | % | 12.3% | 10.4% | 27.4% | 34.0% | 16.0% |
| My leader suggests new ways of looking at how to complete assignments | Freq | 16 | 10 | 30 | 33 | 17 |
| | % | 15.1% | 9.4% | 28.3% | 31.1% | 16.0% |

The frequency distribution of employee version of leadership shows that:

- 30.8% of the respondents believed that their leader fairly often examined critical assumptions to question whether they were appropriate or not;

- 37.0% of the respondents believed that their leader fairly often sought differing perspectives when solving problems;

- 34.0% of the respondents believed that their leader fairly often got them to look at problems from many different angles;

- 31.1% of the respondents fairly often understood their leaders to suggest new ways of looking at how to complete assignments.

### 5.4.4 TRANSFORMATIONAL: Individualised Consideration dimension

Table 6: Individualised consideration

| Individualised consideration | | Not at all | Once in a while | Sometimes | Fairly often | Frequently, if not always |
|---|---|---|---|---|---|---|
| My leader spends time teaching and coaching | Freq | 30 | 24 | 24 | 22 | 6 |
| | % | 28.3% | 22.6% | 22.6% | 20.8% | 5.7% |
| My leader treats me as an individual rather than just as a member of a group | Freq | 21 | 14 | 20 | 30 | 21 |
| | % | 19.8% | 13.2% | 18.9% | 28.3% | 19.8% |
| My leader considers me as having different needs, abilities, and aspirations from others | Freq | 24 | 15 | 32 | 21 | 14 |
| | % | 22.6% | 14.2% | 30.2% | 19.8% | 13.2% |
| My leader helps me to develop my strengths | Freq | 17 | 13 | 26 | 34 | 15 |
| | % | 16.2% | 12.4% | 24.8% | 32.4% | 14.3% |

The frequency distribution of employee version of leadership shows that;

- 28.3% of the respondents indicated that their leader spent no time at all teaching and coaching subordinates;

- 28.3% of the respondents fairly often felt that they were being treated as individuals rather than just as members of the group;

- 30.2% of the respondents indicated that sometimes their leader considered them as having different needs, abilities, and aspirations from others;

- 32.4% of the respondents fairly often indicated that their leader helped them to develop employee strengths.

## 5.5 Construct and scale items total score

This section will show the percentage of the answers that the respondents answered.

Table 7: Perceptions of leader

| Questions on Perception of your leader | fairly often | frequently, if not always | Not at all | once in a while | sometimes |
|---|---|---|---|---|---|
| Do you know where you stand with your leader? | 33% | 17% | 10% | 14% | 26% |
| Do you usually know how satisfied your leader is with what you do? | 39% | 15% | 15% | 10% | 21% |
| How well does your leader understand your job problems and needs? | 32% | 10% | 7% | 22% | 28% |
| Regardless of how much formal authority your leader has built into his or her position, what are the chances that your leader would use his or her power to help you solve problems in your work? | 32% | 18% | 11% | 19% | 20% |
| How well does your leader recognize your potential? | 33% | 14% | 11% | 22% | 20% |
| Is the working relationship with your leader effective? | 32% | 19% | 12% | 14% | 22% |
| Regardless of the amount of formal authority your leader has, what are the chances that he or she would "bail you out" at his or her expense? | 18% | 10% | 29% | 19% | 24% |
| I have enough confidence in my leader that I would defend and justify his or her decision if he or she were not present to do so? | 35% | 15% | 14% | 18% | 17% |

Table 7 shows that 7 out of 8 questions related to perception of your leader, respondents answered fairly often with only the question "Regardless of the amount of formal authority your leader has, what are the chances that he or she would "bail you out" at his or her expense?" respondents mostly answering not at all.

Table 8: Description of leader influence and style

| Questions on Perception of your leader | fairly often | frequently, if not always | Not at all | once in a while | sometimes |
|---|---|---|---|---|---|
| My leader provides me with assistance in exchange for my efforts | 32% | 9% | 9% | 20% | 29% |
| My leader re-examines critical assumptions to question whether they are appropriate | 31% | 15% | 8% | 16% | 30% |
| My leader fails to interfere until problems become catastrophic | 19% | 6% | 27% | 20% | 29% |
| My leader focuses attention on irregularities, mistakes, exceptions, and deviations from standards | 21% | 9% | 13% | 25% | 32% |
| My leader avoids getting involved when important issues arise | 13% | 4% | 36% | 26% | 21% |
| My leader talks about his/her most important values and beliefs | 29% | 12% | 13% | 18% | 28% |
| My leader is absent when needed | 17% | 2% | 32% | 27% | 22% |
| My leader seeks differing perspectives when solving problems | 37% | 14% | 10% | 18% | 21% |
| My leader talks optimistically about the future | 35% | 19% | 11% | 12% | 22% |
| My leader instils pride in me for being associated with him/her | 30% | 17% | 17% | 15% | 21% |
| My leader discusses in specific terms who is responsible for achieving performance targets | 37% | 23% | 9% | 13% | 18% |
| My leader waits for things to go wrong before taking action | 12% | 7% | 38% | 28% | 15% |
| My leader talks enthusiastically about what needs to be accomplished | 31% | 27% | 8% | 12% | 21% |
| My leader specifies the importance of having a strong sense of purpose | 37% | 24% | 10% | 9% | 21% |
| My leader spends time teaching and coaching | 21% | 6% | 28% | 23% | 23% |
| My leader states clear what one can expect to receive when performance goals are achieved | 25% | 17% | 17% | 15% | 26% |

Table 9: Description of leader influence

| Questions on Perception of your leader | fairly often | frequently, if not always | Not at all | once in a while | sometimes |
|---|---|---|---|---|---|
| My leader shows that he/she is a firm believer in "If it ain't broke, don't fix it." | 26% | 8% | 17% | 17% | 32% |
| My leader goes beyond self-interest for the good of the group | 27% | 15% | 14% | 19% | 25% |
| My leader treats me as an individual rather than just as a member of a group | 28% | 20% | 20% | 13% | 19% |
| My leader demonstrates that problems must become chronic before taking action | 19% | 6% | 41% | 18% | 17% |
| My leader acts in ways that builds my respect for him | 29% | 19% | 12% | 14% | 26% |
| My leader concentrates his/her full attention on dealing with mistakes, complaints, and failures | 24% | 13% | 12% | 22% | 29% |
| My leader considers the moral and ethical consequences of decisions | 30% | 25% | 8% | 12% | 25% |
| My leader keeps track of all mistakes | 19% | 8% | 21% | 26% | 27% |
| My leader displays a sense of power and confidence | 40% | 25% | 6% | 8% | 22% |
| My leader Articulates a compelling vision of the future | 30% | 21% | 14% | 10% | 25% |
| My leader directs my attention toward failures to meet standards | 31% | 8% | 12% | 21% | 28% |
| My leader avoids making decisions | 8% | 8% | 41% | 18% | 25% |
| My leader considers me as having different needs, abilities, and aspirations from others | 20% | 13% | 23% | 14% | 30% |
| My leader gets me to look at problems from many different angles | 34% | 16% | 12% | 10% | 27% |
| My leader helps me to develop my strengths | 32% | 14% | 16% | 12% | 25% |
| My leader suggests new ways of looking at how to complete assignments | 31% | 16% | 15% | 9% | 28% |
| My leader delays responding to urgent questions | 9% | 10% | 31% | 25% | 24% |
| My leader emphasizes the importance of having a collective sense of mission | 33% | 24% | 6% | 11% | 26% |
| My leader expresses satisfaction when I meet expectations | 34% | 25% | 11% | 8% | 21% |
| My leader expresses confidence that goals will be achieved | 29% | 27% | 8% | 15% | 22% |
| My leader Is effective in meeting my job-related needs | 26% | 13% | 11% | 22% | 27% |
| My leader uses methods of leadership that are satisfying | 29% | 9% | 20% | 18% | 24% |
| My leader gets me to do more than I expected to do | 32% | 17% | 14% | 18% | 20% |
| My leader is effective in representing me to higher authority | 25% | 17% | 25% | 16% | 17% |
| My leader works with me in a satisfactory way | 25% | 24% | 14% | 12% | 25% |
| My leader heightens my desire to succeed | 29% | 22% | 16% | 17% | 16% |
| My leader is effective in meeting organizational requirements | 35% | 22% | 9% | 7% | 27% |
| My leader increases my willingness to try harder | 26% | 24% | 20% | 12% | 18% |
| My leader leads a group that is effective | 34% | 21% | 12% | 13% | 21% |

Tables 8 and 9 show that out of 45 statements, in 30 of them the majority of the respondents answering "fairly often", in 8 of the statements, the majority of respondents answered "not at all"; and in 9 of the statements the majority of respondents answered "sometimes". The statement, "My leader talks enthusiastically about what needs to be accomplished," had the highest number of responses on "frequently if not always". The statement, "My leader displays a sense of power and confidence", had the highest number of responses on "fairly often". The statement, "My leader demonstrates that

problems must become chronic before taking action", had the highest number of response on "Not at all".

Table 10: Social identity

| Social Identity | 1 = Not important to my sense of who I am. | 2 = Slightly important to my sense of who I am. | 3 = Somewhat important to my sense of who I am | 4 = Very important to my sense of who I am | 5 = Extremely important to my sense of who I am |
|---|---|---|---|---|---|
| The things I own, my possessions. | 19% | 16% | 36% | 21% | 8% |
| My personal values and moral standards | 0% | 0% | 6% | 22% | 72% |
| My popularity with other people | 16% | 21% | 41% | 15% | 7% |
| Being a part of the many generations of my family | 7% | 7% | 29% | 35% | 23% |
| My dreams and imagination | 1% | 1% | 10% | 37% | 50% |
| The ways in which other people react to what I say and do | 2% | 10% | 36% | 36% | 15% |
| My race or ethnic background | 13% | 10% | 20% | 25% | 32% |
| My personal goals and hopes for the future | 0% | 0% | 10% | 29% | 60% |
| My physical appearance: my height, my weight, and the shape of my body | 7% | 20% | 21% | 33% | 20% |
| My religion | 15% | 14% | 15% | 22% | 34% |
| My emotions and feelings | 2% | 7% | 30% | 32% | 29% |
| My reputation, what others think | 2% | 8% | 23% | 36% | 31% |
| Places where I live or where I was raised | 8% | 13% | 27% | 35% | 17% |
| My thoughts and ideas | 0% | 0% | 16% | 36% | 48% |
| My attractiveness to other people | 11% | 21% | 33% | 22% | 13% |
| My age, belonging to my age group or being part of my generation | 17% | 20% | 32% | 23% | 8% |
| The ways I deal with my fears and anxieties | 3% | 11% | 24% | 40% | 23% |
| My sex, being a male or female | 13% | 17% | 35% | 24% | 11% |
| My feeling of being a unique person, being distinct from others. | 5% | 7% | 19% | 36% | 34% |
| My social class, the economic group I belong to, whether lower, middle, or upper class. | 15% | 23% | 29% | 25% | 8% |
| Knowing that I continue to be essentially the same inside even though life involves many external changes | 2% | 7% | 30% | 29% | 33% |
| My gestures and mannerisms, the impression I make on others | 4% | 6% | 28% | 39% | 23% |
| My feeling of belonging to my community | 6% | 11% | 32% | 32% | 20% |
| My self-knowledge, my ideas about what kind of person I really am | 1% | 3% | 14% | 41% | 42% |
| My social behavior, such as the way I act when meeting people | 2% | 4% | 30% | 39% | 25% |
| My feeling of pride in my country, being proud to be a citizen | 5% | 5% | 31% | 34% | 25% |
| My physical abilities, being coordinated and good at athletic activities | 2% | 17% | 31% | 27% | 23% |

Table 10 shows that in 9 out of the 27 Social Identity variables, the majority of the respondents answered "Somewhat important to my sense of who I am" with the following variable having the highest majority "My popularity with other people". It also shows that in 12 out of the 27 Social Identity variables, the majority of the respondents answered "Very important to my sense of who I am" with the variable, "My leader displays a sense of power and confidence", having the highest majority. It also shows that in 8 out of the 27 Social Identity variables, the majority of the respondents answered "Extremely

important to my sense of who I am" with the variable, "My leader displays a sense of power and confidence", having the highest majority.

## 5.6    Power

Table 11: Power

| Power Statements | 0 = Not at all | 1 = Once in a while | 2 = Sometimes | 3 = Fairly often | 4 = Frequently, if not always |
|---|---|---|---|---|---|
| My leader has the capacity to influence my behaviour through rewards | 15% | 11% | 28% | 32% | 14% |
| I often experience that my leader has influence over me. | 11% | 16% | 35% | 32% | 6% |
| My leader often influence me to and my colleagues to take action in a specific direction. | 10% | 15% | 33% | 29% | 13% |
| My leader has the ability to change my views or perspectives about things. | 17% | 13% | 36% | 25% | 9% |
| I will not change my approach just because my leader wants me to. | 14% | 24% | 38% | 18% | 6% |
| One of the reasons my leader has influence over me is because he/she has the right to do so. | 23% | 20% | 26% | 25% | 5% |
| My leader is my leader because of his/her high levels of expertise. | 19% | 13% | 21% | 35% | 13% |
| I would do most things my leader asks me to do mostly to avoid suffering bad consequences. | 15% | 17% | 33% | 25% | 10% |
| If I don't do what my leader says he/she will withhold important information from me. | 29% | 18% | 29% | 14% | 10% |
| I experience my leader as a powerful person. | 15% | 8% | 26% | 36% | 15% |

Table 11 shows that the majority of the respondents responded with the answer "Sometimes" with the following statement having the highest majority "I will not change my approach just because my leader wants me to". The table also shows that only 3 out of 10 of the statements had respondents answering "Fairly often" with the statement, "I experience my leader as a powerful person", having the highest majority  (Note that this statement also has the highest percentage of respondents answering "Frequently, if not always"). The table then shows that the statement, "If I don't do what my leader says he/she will withhold important information from me" had a majority of the respondents answering "Not at all".

## 5.7 Cronbach Alpha

Table 12: Cronbach's alpha

| Cronbach's alpha | Internal consistency |
|---|---|
| 0.9 ≤ α | Excellent |
| 0.8 ≤ α < 0.9 | Good |
| 0.7 ≤ α < 0.8 | Acceptable |
| 0.6 ≤ α < 0.7 | Questionable |
| 0.5 ≤ α < 0.6 | Poor |
| α < 0.5 | Unacceptable |

Table 13: Perception of leader

| Perception of your leader | | | | |
|---|---|---|---|---|
| Cronbach Coefficient Alpha with Deleted Variable | Raw Variables | | Standardized Variables | |
| Variable | Correlation | Alpha | Correlation | Alpha |
| Do you know where you stand with your leader? | 0.7314 | 0.9281 | 0.7334 | 0.9282 |
| Do you usually know how satisfied your leader is with what you do? | 0.7069 | 0.9298 | 0.7099 | 0.9299 |
| How well does your leader understand your job problems and needs? | 0.7524 | 0.9268 | 0.7519 | 0.9269 |
| Regardless of how much formal authority your leader has built into his or her position, what are the chances that your leader would use his or her power to help you solve problems in your work? | 0.7175 | 0.9292 | 0.7162 | 0.9295 |
| How well does your leader recognize your potential? | 0.8190 | 0.9217 | 0.8192 | 0.9219 |
| Is the working relationship with your leader effective? | 0.8548 | 0.9191 | 0.8540 | 0.9194 |
| Regardless of the amount of formal authority your leader has, what are the chances that he or she would "bail you out" at his or her expense? | 0.7455 | 0.9275 | 0.7433 | 0.9275 |
| I have enough confidence in my leader that I would defend and justify his or her decision if he or she were not present to do so? | 0.8362 | 0.9203 | 0.8327 | 0.9209 |

Table 14: Perception of leader

## Perception of your leader

| Cronbach Coefficient Alpha with Deleted Variable | Raw Variables | | Standardized Variables | |
|---|---|---|---|---|
| Variable | Correlation | Alpha | Correlation | Alpha |
| My leader provides me with assistance in exchange for my efforts | 0.6170 | 0.9400 | 0.6104 | 0.9368 |
| My leader re-examines critical assumptions to question whether they are appropriate | 0.6729 | 0.9397 | 0.6721 | 0.9363 |
| My leader fails to interfere until problems become catastrophic | -0.1518 | 0.9450 | -0.1466 | 0.9422 |
| My leader focuses attention on irregularities, mistakes, exceptions, and deviations from standards | -0.1833 | 0.9449 | -0.1785 | 0.9424 |
| My leader avoids getting involved when important issues arise | -0.4047 | 0.9461 | -0.4019 | 0.9439 |
| My leader talks about his/her most important values and beliefs | 0.5166 | 0.9406 | 0.5193 | 0.9374 |
| My leader is absent when needed | -0.4397 | 0.9465 | -0.4331 | 0.9442 |
| My leader seeks differing perspectives when solving problems | 0.6788 | 0.9395 | 0.6762 | 0.9363 |
| My leader talks optimistically about the future | 0.7228 | 0.9392 | 0.7204 | 0.9360 |
| My leader instils pride in me for being associated with him/her | 0.8412 | 0.9382 | 0.8386 | 0.9351 |
| My leader discusses in specific terms who is responsible for achieving performance targets | 0.6298 | 0.9399 | 0.6309 | 0.9366 |
| My leader waits for things to go wrong before taking action | -0.3904 | 0.9464 | -0.3865 | 0.9438 |
| My leader talks enthusiastically about what needs to be accomplished | 0.7024 | 0.9394 | 0.7031 | 0.9361 |
| My leader specifies the importance of having a strong sense of purpose | 0.6930 | 0.9394 | 0.6912 | 0.9362 |
| My leader spends time teaching and coaching | 0.6428 | 0.9397 | 0.6387 | 0.9366 |
| My leader states clear what one can expect to receive when performance goals are achieved | 0.6093 | 0.9399 | 0.6086 | 0.9368 |
| My leader shows that he/she is a firm believer in "If it ain't broke, don't fix it." | 0.3224 | 0.9419 | 0.3245 | 0.9389 |
| My leader goes beyond self-interest for the good of the group | 0.7946 | 0.9386 | 0.7903 | 0.9354 |
| My leader treats me as an individual rather than just as a member of a group | 0.7341 | 0.9389 | 0.7299 | 0.9359 |
| My leader demonstrates that problems must become chronic before taking action | -0.2908 | 0.9464 | -0.2841 | 0.9431 |
| My leader acts in ways that builds my respect for him | 0.8467 | 0.9383 | 0.8421 | 0.9351 |
| My leader concentrates his/her full attention on dealing with mistakes, complaints, and failures | 0.2658 | 0.9423 | 0.2737 | 0.9392 |
| My leader considers the moral and ethical consequences of decisions | 0.6625 | 0.9396 | 0.6601 | 0.9364 |
| My leader keeps track of all mistakes | 0.2327 | 0.9454 | -0.2247 | 0.9427 |

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Table 15: Perception of leader

| Perception of your leader | | | | |
|---|---|---|---|---|
| **Cronbach Coefficient Alpha with Deleted Variable** | **Raw Variables** | | **Standardized Variables** | |
| **Variable** | **Correlation** | **Alpha** | **Correlation** | **Alpha** |
| My leader displays a sense of power and confidence | 0.5854 | 0.9402 | 0.5873 | 0.9369 |
| My leader Articulates a compelling vision of the future | 0.8008 | 0.9386 | 0.7998 | 0.9354 |
| My leader directs my attention toward failures to meet standards | 0.1155 | 0.9432 | 0.1228 | 0.9403 |
| My leader avoids making decisions | -0.3768 | 0.9467 | -0.3716 | 0.9437 |
| My leader considers me as having different needs, abilities, and aspirations from others | 0.7212 | 0.9391 | 0.7190 | 0.9360 |
| My leader gets me to look at problems from many different angles | 0.7558 | 0.9390 | 0.7481 | 0.9358 |
| My leader helps me to develop my strengths | 0.8240 | 0.9384 | 0.8204 | 0.9352 |
| My leader suggests new ways of looking at how to complete assignments | 0.8370 | 0.9383 | 0.8321 | 0.9351 |
| My leader delays responding to urgent questions | -0.2843 | 0.9462 | -0.2782 | 0.9431 |
| My leader emphasizes the importance of having a collective sense of mission | 0.7580 | 0.9391 | 0.7575 | 0.9357 |
| My leader expresses satisfaction when I meet expectations | 0.7605 | 0.9389 | 0.7551 | 0.9357 |
| My leader expresses confidence that goals will be achieved | 0.8325 | 0.9384 | 0.8294 | 0.9351 |
| My leader Is effective in meeting my job-related needs | 0.8533 | 0.9383 | 0.8492 | 0.9350 |
| My leader uses methods of leadership that are satisfying | 0.8222 | 0.9384 | 0.8165 | 0.9352 |
| My leader gets me to do more than I expected to do | 0.7756 | 0.9387 | 0.7702 | 0.9356 |
| My leader is effective in representing me to higher authority | 0.7939 | 0.9384 | 0.7873 | 0.9355 |
| My leader works with me in a satisfactory way | 0.8267 | 0.9383 | 0.8200 | 0.9352 |
| My leader heightens my desire to succeed | 0.8208 | 0.9382 | 0.8102 | 0.9353 |
| My leader is effective in meeting organizational requirements | 0.7144 | 0.9394 | 0.7099 | 0.9360 |
| My leader increases my willingness to try harder | 0.8731 | 0.9378 | 0.8684 | 0.9349 |
| My leader leads a group that is effective | 0.7284 | 0.9391 | 0.7248 | 0.9359 |

## 5.8    Social Identity

Table 16: Social identity

| Social Identity | | | | |
|---|---|---|---|---|
| **Cronbach Coefficient Alpha with Deleted Variable** | **Raw Variables** | | **Standardized Variables** | |
| **Variable** | **Correlation** | **Alpha** | **Correlation** | **Alpha** |
| The things I own, my possessions. | 0.3707 | 0.8943 | 0.3323 | 0.8980 |
| My personal values and moral standards | 0.2118 | 0.8960 | 0.2561 | 0.8995 |
| My popularity with other people | 0.3436 | 0.8947 | 0.3189 | 0.8982 |
| Being a part of the many generations of my family | 0.3907 | 0.8937 | 0.3900 | 0.8968 |
| My dreams and imagination | 0.4924 | 0.8921 | 0.5225 | 0.8941 |
| The ways in which other people react to what I say and do | 0.4360 | 0.8927 | 0.4286 | 0.8960 |
| My race or ethnic background | 0.4471 | 0.8929 | 0.4369 | 0.8959 |
| My personal goals and hopes for the future | 0.4360 | 0.8932 | 0.4912 | 0.8947 |
| My physical appearance: my height, my weight, and the shape of my body | 0.5606 | 0.8899 | 0.5348 | 0.8938 |
| My religion | 0.3210 | 0.8970 | 0.3389 | 0.8978 |
| My emotions and feelings | 0.5482 | 0.8905 | 0.5480 | 0.8936 |
| My reputation, what others think | 0.5339 | 0.8906 | 0.5257 | 0.8940 |
| Places where I live or where I was raised | 0.5731 | 0.8896 | 0.5574 | 0.8934 |
| My thoughts and ideas | 0.4985 | 0.8921 | 0.5405 | 0.8937 |
| My attractiveness to other people | 0.6113 | 0.8887 | 0.5816 | 0.8929 |
| My age, belonging to my age group or being part of my generation | 0.6018 | 0.8889 | 0.5702 | 0.8931 |
| The ways I deal with my fears and anxieties | 0.5553 | 0.8902 | 0.5617 | 0.8933 |
| My sex, being a male or female | 0.4690 | 0.8920 | 0.4394 | 0.8958 |
| My feeling of being a unique person, being distinct from others. | 0.4033 | 0.8934 | 0.4289 | 0.8960 |
| My social class, the economic group I belong to, whether lower, middle, or upper class. | 0.5688 | 0.8897 | 0.5310 | 0.8939 |
| Knowing that I continue to be essentially the same inside even though life involves many external changes | 0.3102 | 0.8952 | 0.3401 | 0.8978 |
| My gestures and mannerisms, the impression I make on others | 0.6480 | 0.8883 | 0.6445 | 0.8916 |
| My feeling of belonging to my community | 0.5517 | 0.8902 | 0.5450 | 0.8936 |
| My self-knowledge, my ideas about what kind of person I really am | 0.3613 | 0.8940 | 0.4038 | 0.8965 |
| My social behavior, such as the way I act when meeting people | 0.5157 | 0.8912 | 0.5361 | 0.8938 |
| My feeling of pride in my country, being proud to be a citizen | 0.4199 | 0.8930 | 0.4266 | 0.8961 |
| My physical abilities, being coordinated and good at athletic activities | 0.4810 | 0.8917 | 0.4890 | 0.8948 |

## 5.9. Power of the Leader

Table 17: Power of leader

| Power of leader | | | | |
|---|---|---|---|---|
| Cronbach Coefficient Alpha with Deleted Variable | Raw Variables | | Standardized Variables | |
| Variable | Correlation | Alpha | Correlation | Alpha |
| My leader has the capacity to influence my behaviour through rewards | 0.5507 | 0.7065 | 0.5590 | 0.7125 |
| I often experience that my leader has influence over me. | 0.6675 | 0.6937 | 0.6694 | 0.6956 |
| My leader often influence me to and my colleagues to take action in a specific direction. | 0.6748 | 0.6901 | 0.6758 | 0.6946 |
| My leader has the ability to change my views or perspectives about things. | 0.6282 | 0.6960 | 0.6284 | 0.7019 |
| I will not change my approach just because my leader wants me to. | 0.2907 | 0.7437 | 0.2919 | 0.7506 |
| One of the reasons my leader has influence over me is because he/she has the right to do so. | 0.4835 | 0.7175 | 0.4852 | 0.7234 |
| My leader is my leader because of his/her high levels of expertise. | 0.3170 | 0.7435 | 0.3147 | 0.7475 |
| I would do most things my leader asks me to do mostly to avoid suffering bad consequences. | 0.0908 | 0.7717 | 0.0844 | 0.7779 |
| If I don't do what my leader says he/she will withhold important information from me. | -0.0385 | 0.7918 | -0.0322 | 0.7923 |
| I experience my leader as a powerful person. | 0.5752 | 0.7025 | 0.5767 | 0.7098 |

## 5.10. Hypothesis Testing

**Research Question 1:** Is social identity related to transformational leadership in an organisation?

Figure 12: Normality Probability Plot for transformational leadership
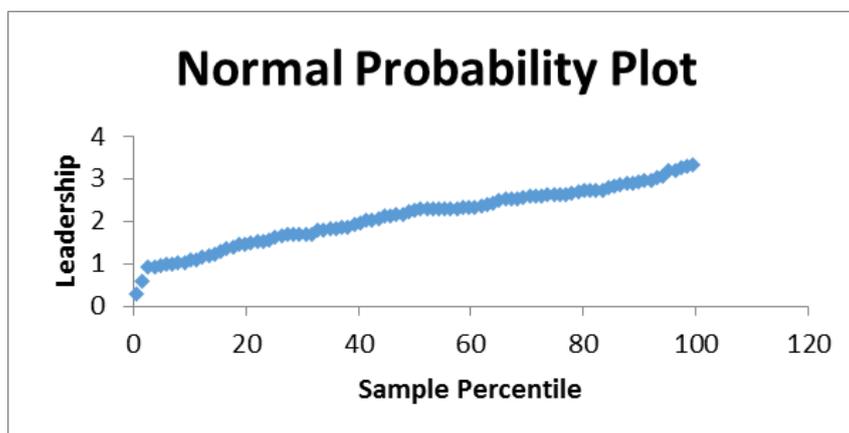


Normal Probability Plot

Figure 12 plot forms an approximate straight line, which makes it approximately normal.

Hypothesis 1

H0: Social identity is not related to transformational leadership in an organisation

H1: Social identity is related to transformational leadership in an organisation

Table 18: Regression model for transformational leadership vs social identity

SUMMARY OUTPUT

| Regression Statistics | |
|---|---|
| Multiple R | 0.2225 |
| R Square | 0.0495 |
| Adjusted R Square | 0.0391 |
| Standard Error | 0.6773 |
| Observations | 93 |

ANOVA

| | df | SS | MS | F | Significance F |
|---|---|---|---|---|---|
| Regression | 1 | 2.1753 | 2.1753 | 4.7414 | 0.0320 |
| Residual | 91 | 41.7487 | 0.4588 | | |
| Total | 92 | 43.9240 | | | |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
|---|---|---|---|---|---|---|---|---|
| Intercept | 1.1104 | 0.4586 | 2.4212 | 0.0175 | 0.1994 | 2.0214 | 0.1994 | 2.0214 |
| Social | 0.2740 | 0.1258 | 2.1775 | 0.0320 | 0.0240 | 0.5240 | 0.0240 | 0.5240 |

Table 18 shows that the p-value of the relationship between transformational leadership and social identity is less than 0.05 which leads to the rejection of H0 and conclude that social identity significantly related to transformational leadership in an organisation.

**Research Question 2:** Is the power of a leader related to transformational leadership?

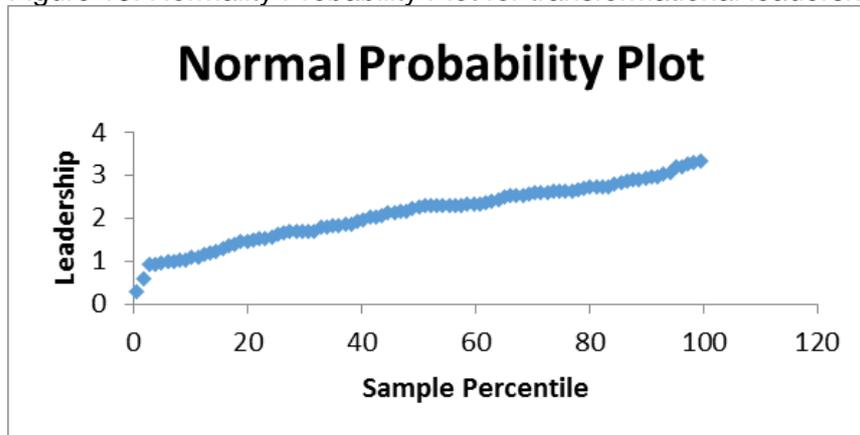Figure 13: Normality Probability Plot for transformational leadership



Figure 6 plot forms an approximate straight line, which makes it approximately normal.

Hypothesis 2

H0: Power of a leader is not related to transformational leadership in an organisation

H1: Power of a leader is related to transformational leadership in an organisation

Table 19: Regression model for transformational leadership vs power of a leader

| SUMMARY OUTPUT | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *Regression Statistics* | | | | | | | | |
| Multiple R | 0.4507 | | | | | | | |
| R Square | 0.2031 | | | | | | | |
| Adjusted R Square | 0.1944 | | | | | | | |
| Standard Error | 0.6202 | | | | | | | |
| Observations | 93 | | | | | | | |
| | | | | | | | | |
| ANOVA | | | | | | | | |
| | *df* | *SS* | *MS* | *F* | *Significance F* | | | |
| Regression | 1 | 8.9230 | 8.9230 | 23.1991 | 0.0000 | | | |
| Residual | 91 | 35.0010 | 0.3846 | | | | | |
| Total | 92 | 43.9240 | | | | | | |
| | | | | | | | | |
| | *Coefficients* | *Standard Error* | *t Stat* | *P-value* | *Lower 95%* | *Upper 95%* | *Lower 95.0%* | *Upper 95.0%* |
| Intercept | 1.1855 | 0.1999 | 5.9294 | 0.0000 | 0.7883 | 1.5826 | 0.7883 | 1.5826 |
| Power | 0.4636 | 0.0963 | 4.8165 | 0.0000 | 0.2724 | 0.6548 | 0.2724 | 0.6548 |

Table 19 shows that the p-value of the relationship between transformational leadership and power of a leader is less than 0.05, which leads to the rejection of H0 and conclude that power of a leader significantly related to transformational leadership in an organisation.

**Research Question 3:** Does a sense of perceived power predict social identity?

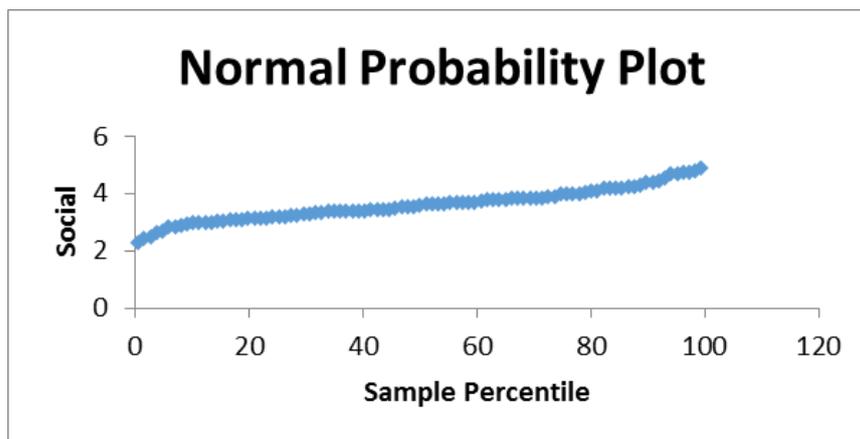Figure 14: Normality Probability Plot for Social Identity



Figure 14 plot forms an approximate straight line, which makes it approximately normal.

Hypothesis 3

H0: Sense of perceived power does not predict social identity

H1: Sense of perceived power predict social identity

Table 20: Regression model for Social Identity vs Power of a leader

SUMMARY OUTPUT

| Regression Statistics | |
|---|---|
| Multiple R | 0.2780 |
| R Square | 0.0773 |
| Adjusted R Square | 0.0672 |
| Standard Error | 0.5420 |
| Observations | 93 |

ANOVA

| | df | SS | MS | F | Significance F |
|---|---|---|---|---|---|
| Regression | 1 | 2.2394 | 2.2394 | 7.6240 | 0.0070 |
| Residual | 91 | 26.7298 | 0.2937 | | |
| Total | 92 | 28.9692 | | | |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
|---|---|---|---|---|---|---|---|---|
| Intercept | 3.1446 | 0.1747 | 17.9980 | 0.0000 | 2.7975 | 3.4916 | 2.7975 | 3.4916 |
| Power | 0.2323 | 0.0841 | 2.7612 | 0.0070 | 0.0652 | 0.3993 | 0.0652 | 0.3993 |

Table 20 shows that the p-value of the relationship between transformational leadership and power of a leader is less than 0.05 and the p-value of the intercept is less than 0.05, which leads to the rejection of H0 and conclude that sense of perceived power predict social identity.

**Research Question 4:** Does a perceived sense of power mediate the relationship between transformational leadership and social identity

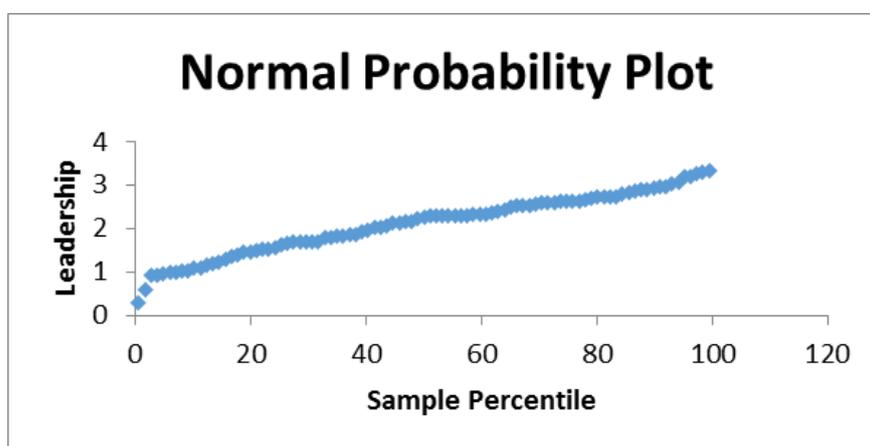Figure 15: Normality probability plot for transformational leadership

Figure 15 plot forms an approximate straight line, which makes it approximately normal.

Hypothesis 4

H0: Perceived sense of power does not mediate the relationship between transformational leadership and social identity

H1: Perceived sense of power mediate the relationship between transformational leadership and social identity

Table 21: Regression model for transformational leadership vs Social Identity Vs Power of a leader

SUMMARY OUTPUT

| Regression Statistics | |
|---|---|
| Multiple R | 0.4619 |
| R Square | 0.2134 |
| Adjusted R Square | 0.1959 |
| Standard Error | 0.6196 |
| Observations | 93 |

ANOVA

| | df | SS | MS | F | Significance F |
|---|---|---|---|---|---|
| Regression | 2 | 9.3729 | 4.6865 | 12.2075 | 0.0000 |
| Residual | 90 | 34.5511 | 0.3839 | | |
| Total | 92 | 43.9240 | | | |

| | Coefficients | Standard Error | t Stat | P-value | Lower 95% | Upper 95% | Lower 95.0% | Upper 95.0% |
|---|---|---|---|---|---|---|---|---|
| Intercept | 0.7775 | 0.4265 | 1.8229 | 0.0716 | -0.0699 | 1.6248 | -0.0699 | 1.6248 |
| Social | 0.1297 | 0.1198 | 1.0826 | 0.2819 | -0.1083 | 0.3678 | -0.1083 | 0.3678 |
| Power | 0.4335 | 0.1001 | 4.3300 | 0.0000 | 0.2346 | 0.6323 | 0.2346 | 0.6323 |

Table 21 shows that the p-value of the relationship between transformational leadership and power of a leader is less than 0.05 and but the p-value of the relationship between transformational leadership has a p-value more than 0.05. Note that in table for social identity was significantly related to transformational leadership. The combination of this results leads to the rejection of H0 and conclude that perceived sense of power mediate the relationship between transformational leadership and social identity.

Figure 16: Summary of hypothesis testing

Regression model for transformational leadership the following variables: Individual Behaviours, Individual Attributes, Inspiration, Intellectual and Individual consideration.

| SUMMARY OUTPUT | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *Regression Statistics* | | | | | | | | |
| Multiple R | 0.9742 | | | | | | | |
| R Square | 0.9490 | | | | | | | |
| Adjusted R Square | 0.9460 | | | | | | | |
| Standard Error | 0.1605 | | | | | | | |
| Observations | 93 | | | | | | | |
| | | | | | | | | |
| ANOVA | | | | | | | | |
| | *df* | *SS* | *MS* | *F* | *Significance F* | | | |
| Regression | 5 | 41.6827 | 8.3365 | 323.6017 | 0.0000 | | | |
| Residual | 87 | 2.2413 | 0.0258 | | | | | |
| Total | 92 | 43.9240 | | | | | | |
| | | | | | | | | |
| | *Coefficients* | *Standard Error* | *t Stat* | *P-value* | *Lower 95%* | *Upper 95%* | *Lower 95.0%* | *Upper 95.0%* |
| Intercept | 0.5598 | 0.0466 | 12.0109 | 0.0000 | 0.4671 | 0.6524 | 0.4671 | 0.6524 |
| Behavior | 0.0901 | 0.0352 | 2.5611 | 0.0122 | 0.0202 | 0.1600 | 0.0202 | 0.1600 |
| Attributes | 0.1753 | 0.0342 | 5.1194 | 0.0000 | 0.1072 | 0.2433 | 0.1072 | 0.2433 |
| Inspiration | 0.1069 | 0.0351 | 3.0444 | 0.0031 | 0.0371 | 0.1766 | 0.0371 | 0.1766 |
| Intellectual | 0.0893 | 0.0381 | 2.3415 | 0.0215 | 0.0135 | 0.1651 | 0.0135 | 0.1651 |
| Individual Consideration | 0.2278 | 0.0307 | 7.4084 | 0.0000 | 0.1667 | 0.2889 | 0.1667 | 0.2889 |

The regression model shows that the p-vale for all independent variables including the intercept are less than 0.05, which makes this variables significantly related to transformational leadership. Attribute and Individual consideration has the strongest relationship with Intellectual having the weakest relationship to transformational leadership.

Table 22: the results of the hypothesis.

| Hypothesis 1 | | | Outcome | Conclusion |
|---|---|---|---|---|
| Social identity is related to transformational leadership in an organisation | H0: Beta =0 | | Beta = 0.274 | Null Hypothesis rejected |
| | H1: Beta =1 | | p-value = 0.032 | Supported |
| **Hypothesis 2** | | | | |
| Power of a leader is related to transformational leadership in an organisation | H0: Beta =0 | | Beta = 0.4636 | Null Hypothesis rejected |
| | H1: Beta =1 | | p-value = 0.00000 | Supported |
| **Hypothesis 3** | | | | |
| Sense of perceived power predict social identity | H0: Beta =0 | | Beta = 0.2323 | Null Hypothesis rejected |
| | H1: Beta =1 | | p-value = 0.007 | Supported |
| **Hypothesis 4** | | | | |
| Perceived sense of power mediate the relationship between transformational leadership and social identity | H0: Beta =0 | | Beta = 0.4335 | Null Hypothesis rejected |
| | H1: Beta =1 | | p-value = 0.00000 | Supported |

## 5.5 Conclusion

This chapter presented the results of the research that was conducted on the relationship between transformational leadership, power and employee social identity. The research was conducted using the Multifactor Leadership Questionnaire (Avolio & Bass, 2004) as a measurement tool. The research was conducted based on the methodology outlined in Chapter 4 in answer to the research questions presented in Chapter 3. This chapter is aptly summarised by Table 22 above. The next chapter discusses the results of this study in the context of the literature reviewed in Chapter 2 of this research. Conclusions reached and recommendations will be presented in Chapter 7, which is the concluding chapter of this research.

# Chapter 6 Discussion of Results

## 6.1    Introduction

Chapter 5 presented the results of the quantitative data analysis of responses received from the 124 respondents on the relationship between transformational leadership, power and employee social identity. This chapter discusses what the results in chapter 5 mean. This discussion is conducted in the context of the literature reviewed in Chapter 2 of the research and linking this to literature reviewed in chapter and the research questions presented in chapter 3. The primary constructs of the research are depicted below.

Figure 17: Primary constructs of the study
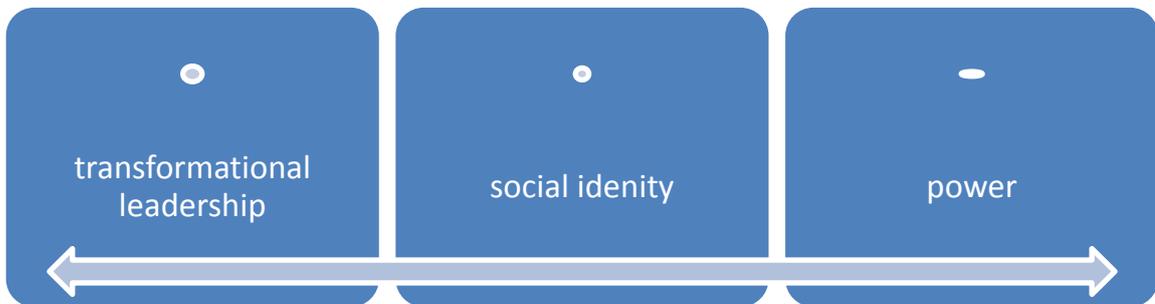


Inferences are made on the basis of the results obtained as to whether the results support, contradict or add to the theory presented in Chapter 2. Theory is chapter two indicate a relationship between social identity and transformational leadership (Hogg, 2016). The results either add or support the theory where the proposition is upheld. Where the proposition does not hold, the results either contradict or add to the theory as reviewed. In cases where the proposition is upheld then the results either support or add to the theory.

The discussion presented in this chapter shall contribute to the existing body of knowledge around the relationship between transformational leadership, social identity and power. The main research question of this study sought to determine whether there is a relationship between transformational leadership, social identity and power. Furthermore, if there is a relationship, what is the nature of this relationship and how

does it impact on the leader and the followers in trying to deliver superior business results in organizations.

The results of the study are discussed under the following headings:

**6.2 Sample Demographics**

**6.3 Research Question 1**

There is a positive relationship between social identity and transformational leadership in organisations

**6.4 Research Question 2**

There is a positive relationship between power and transformational leadership in organisation

**6.5 Research Question 3**

Power predicts social identity

**6.6 Research Question 4**

Power mediates the relationship between transformational leadership and social identity

**6.7 Conclusion**

## 6.2    Sample Demographics

Data on transformational leadership, social identity and power was collected from the sample. The main objective was to investigate whether there is a relationship between transformational leadership, social identity and power. If there is the relationship, what is the nature of this relationship? The demographics of the sample indicate that 54% of the respondents were male. The balance of the sample was females at 46%. Therefore, the majority of junior to middle management in financial services are males. This bodes well for gender transformation in management in the financial services sector.

The highest number of respondents was from the age group ranging from 31-35 years at 31.9% with the lowest number of respondents being between 20 and 24 years old at about 2%. However, only about 87% of the sample has been employed in the financial services sector for more than 7 years. There is thus longevity of careers in the financial services sector. An amount of 60% already had a minimum of 7 years in employment, wherever it was. An astounding 82% percent of the sample had an honours / similar

postgraduate or degree with about 2% of the sample in possession of a matric certificate / Grace 12 certificate.

The demographics indicate that the majority of males in the 31-35 age group in the sample are employed in the financial services sectors and have been for a period of a minimum of 7 years whose education level is an honours degree / postgraduate diploma or masters. The remainder of the chapter shall investigate how this demography perceived transformational leadership, social identity and power in relation to their leader.

## 6.3    Research Question 1: Is social identity related to transformational leadership in an organisation?

H0: Social identity is related to transformational leadership in an organisation

H1: Social identity is not related to transformational leadership in an organization

The null hypothesis was rejected with a p value of 0,032. The statistical analysis therefore confirmed that social identity is related to transformational leadership.

### 6.3.1 Leadership

Obst, White, Mavor, & Baker, (2011) hypothesis that cognitive processes, emotional associations and interdependence between group members are the fundamental aspects of social identity. This interdependence and interrelation foster social identity particularly for the in-group overlapping the academic realm of leadership and applied psychology. Group identity minimises the effect of personal identity in the threat of personal control (Rast, Hogg, & Tomory, 2014).

Smeekes & Verkuyten (2013) indicate that leaders must act within the characteristics of the in-group in order for the followers to respond to such leadership influence, i.e. the protection of this social identity. The protection of this social identity is confirmation of the existence of social identity. Bass (1985) suggests that charismatic leaders have a greater sense of referent power and influence. The leader thus has the capacity to influence as a result of the mutual relationship formed over time between the leader and the follower (Hughes, 1993; Northouse, 2012).

Social identity can be created by the group as opposed to the leader(Hogg, 2016). Rast (2015) contends that if the group identifies strongly amongst themselves they are more likely to agree about the groups normative characteristics and thus who is likely to be prototypical. In this sense, they usher their own leader within the group based on similar characteristics and values. Effective communication, mutual trust, enhanced creativity and successful cooperation is positively linked to a shared social identity (Steffens, Haslam, & Reicher, 2014). When members have weak identification with the group the prototypical leader is less likely to emerge (Rast, 2015). This is a threat to leadership, transformational or not.

The frequency distribution of employee versions of leadership shows that the majority of the respondents fairly often:

- knew where they stood with their leader (33.3%);
- knew how satisfied their leader was with what they did (39.3%);
- understood employees' job problems and needs(31.8%);
- believed that the leader would use his or her power to help employees to solve problems in their work (32.1%);
- believed that their leader recognised their potential (33%);
- believed that the working relationship with their leader was effective (32.4%);
- had enough confidence in their leader that they would defend and justify his/her decision if he or she were not present to do so (35.2%);
- had no confidence that regardless of the amount of formal authority the leader had, the leader would "bail them out" at their expense (29%);

The last bullet point is of interest as it was in sharp contrast to employees indicating that regardless of the amount of formal authority the leader had, s/he would never "bail you out" at his/her expense. This means that social identity orientation and personal identity orientation of the employees will not align with the social identity element of placing ones interest ahead of the leader and perhaps the group. Social identity and collective identity orientation in its entirety will be threatened.

It appears that within this context of leadership, as indicated by the results, leadership was still a process of social influence and coordination (Rast, 2015) without a reciprocal expectation that the leader, by definition, would bail out his followers at his expense. This definition was not challenged.

van Knippenberg (2000) hypothesises that social identity is positively related to contextual matters, task performance and work motivation. These contextual matters can be leadership wherein task performance is as a result of inspirational leadership, charisma, intellectual engagement and individualised consideration. Hogg (2001) hypothesises that power is a conduit between the leader and the follower. However, power is related to transformational leadership and predicts social identity.

Hogg (2001) suggests that leadership is a transactional and interactive relationship between the leader and the follower. In this context, the leader by virtue of his or her position is vested with the power to reward and punish within the organisation. The respondents being the followers conform to the group being an organisation. They therefore cognitively and behaviourally assimilate themselves within the group (Hogg, 2001). This then forms the structure of the organisation, a common association or category of membership.

### 6.3.2 Transformational Leadership

According to transformational leadership and its dimension, it is rooted deeply in relational and applied psychology and its success cannot simply be accredited to what it is. McCleskey (2014) notes that transformational leadership is influenced by socio psychological factors, which must be understood in order to fully operationalise it. Transformational leadership  has in it a charismatic element which is linked to referent power (Hogg, 2012). This referent power arises as a result of the existing transformational leadership in the organisation. Transformational leadership has an element of  referent power (Bass, 1985) Perceived power is certainly related to transformational leadership and the question of which precedes which is irrelevant, at least for this study. Transformational leaders inspire, generate a clear vision, goal and tasks for the team whilst developing higher potential whilst motivating for the transcendence of self-interest for group benefit. Transcending self-interest invariably means an upward movement in the Maslow's hierarchy of needs model.

Epitropaki et al. (2017) notes that transformational leadership positively predicts personal identification with the leader as well as social identity with the group as transformational leaders achieve greater synergies with followers by enhancing the social aspect of self, such as relational and collective selves (Epitropaki et al., 2017). If

the leader relates with the follower as a unique individual, harnessing individualised consideration, idealised influence, intellectual stimulation and inspirational motivation, he is likely to foster a stronger sense of social identity referent power.

(Aryee et al., 2012) suggests that followers are likely to take responsibility for results, assume greater responsivity and accountability under a transformational leader. This added responsibility and accountability is the basis of the symbiotic relationship of trust between the leader and followers in an organisation. Research has shown that transformational leadership is indeed mediated through empowerment, efficacy, trust and identification. This is social identity in practise. Shared power further encourages the in-group to exert additional efforts and sacrifices towards group goals (DeWall et al., 2011). It is therefore not surprising that transformational leadership is positively related to social identity in groups or organisations.

### 6.3.2.1 Inspirational motivation

The frequency distribution of employee versions of leadership indicate that the majority of respondents indicated that their leader fairly often:

- talked optimistically about the future (35,2%);
- talked enthusiastically about what needs to be accomplished (30.8%);
- believed that their leader articulated a compelling vision of the future (30.2%); and
- expressed confidence that goals would be achieved (28.6%).

This indicates that employees felt inspired by a strong sense of confidence from their leader who expressed, with conviction, that goals will be achieved. The research indicates that employees are inspired and motivated by their leader.

### 6.3.2.2 Idealised influence: attributes / behaviour

The frequency distribution of employee versions of leadership indicate that the majority of respondents fairly often felt:

- A sense of pride for being associated with the leader (29.9%);
- Believe that the leader went beyond self-interest for the good of the group (27.4);
- Acted in ways that built the respect of employees for the leader (29%); and
- Understand their leader to display a sense of power and confidence (39.6%).

The frequency distribution of the employee versions of leadership indicate that:

- the respondents often believed the leader to talk about his/her most important values and beliefs (29.0%);
- specified the importance of having a strong sense of purpose (37.1);
- considered the moral and ethical consequences of decisions (30.2%); and
- emphasised the importance of having a collective sense of mission (33%).

The study confirms that the employees feel proud to to associated with their leader, understand their leader to display confidence and power and are motivated by their leaders strong sense of purpose, mutual valus and characteristisc.

### 6.3.2.3 Intellectual stimulation

The frequency distribution of employee versions of leadership indicate that the majority of the respondents:

- Believed that their leader fairly often examined critical assumptions to question whether they were appropriate or not (30.8%);
- Sought differing perspectives when solving problems (37%);
- Got them to look at problems from many different angles 34%); and
- understood their leaders to suggest new ways of looking at how to complete assignments (31.1%).

The results indicate that the employees are intellectually stimulated by their leader and his / problem solving capabilities.

### 6.3.2.4 Individualised consideration

The frequency distribution reveal that the majority of the respondents:

- Indicated that their leader spent no time at all teaching and coaching subordinates (28.3%);
- Fairly often felt treated as individuals rather than just as members of the group and helped them to develop their strength (28.3%); and
- That sometimes their leader considered them as having different needs, abilities, and aspirations from others (30.2%).

The employees feel individually considered, catered for and acknowledged according to the results of this research.

### 6.3.3 Conclusion

Responses to the first hypothesis demonstrate that social identity is strongly related to transformational leadership. In terms of hypothesis testing, the results indicated a strong positive relationship between perceived power and therefore the null hypothesis was rejected.

## 6.4    Research Question 2: Is the power of a leader related to transformational leadership?

H0: The power of a leader is not related to transformational leadership.
H1: The power of a leader is related to transformational leadership.

By rejecting the null hypothesis, the statistical analysis confirmed that the power of a leader is related to transformational leadership.

Mooijman et al. (2015) defines power as the asymmetrical relationship between leader and follower over the control of critical resources. Followers are beholden and rely on the leader for the provision of those resources. Power is therefore linked to the ability to reward and to punish. Invariably those in power can become preoccupied with the protection and retention of their powers. Hogg (2016) contends that prototypical leaders do not have a need to exercise power to influence or punish others as follower depersonalisation assimilates followers to those leaders. Conversely, prototypical leaders will have more indirect influence than non-prototypical leaders (Hogg, 2016). This ability is rooted firmly in referent powerbase where followers and leaders built a more co-dependant relationship and therefore act in the best interest of the group (Epitropaki et al., 2017). In this instant social identity is strong as the followers are considered in respect to personal identity, social identity and collective identity (Cheek & Briggs, 1982). This environment is akin to one where transformational leadership exists and the elements of inspirational motivation, idealised influence or charisma, intellectual stimulation and individualised consideration are present. Certain power dimensions lack individualised consideration as demonstrated by the results.

### 6.4.1 Personal Identity Orientation

The results demonstrate that the majority (70%) of the respondents believed that: personal values; moral standards; dreams; imagination; personal goals; hopes for the future; thoughts and ideas; self-knowledge; and ideas **were extremely** important to the sense of who they were as far as personal identity orientation was concerned. This suggests that the majority of respondents indicated that they continued to be the same inside even though life involves many external changes.

The results also indicate that the majority (31.8) of the respondents observed that emotions, feelings, the manner in which fears and anxiety are dealt with and the sense of being a unique person **were very important** to the sense of who they were as far as personal identity orientation was concerned. This suggests that respondents felt a great need to protect their social identity.

### 6.4.2 Social Identity Orientation

The results also demonstrate that the majority (39.3%) of the respondents observed that gestures, mannerisms, impressions, reputation, physical appearance social behaviour and the manner in which other people respond to conduct and communication were **very important** to the sense of who they were as far as social identity orientation was concerned. The external environment of the group was important to the sense of who they were. The respondents indicated that they wanted to be associated with good mannerisms, physical appearance and social behaviour.

The results also indicate that the majority (41.1%) of the respondents observed that popularity with other people, the manner in which other people respond to conduct and communication and attractiveness to other people **were somewhat** important to the sense of who they were as far as social identity orientation was concerned.

### 6.4.3 Collective Identity Orientation

The results indicate that the majority of the respondents (31.8%) observed that race and/or ethnic background and religion **were extremely** important to the sense of who they were as far as collective identity orientation was concerned. This element is

particularly live in South Africa where individuals are still deeply plagued and limited by race.

The results indicate that the majority of the respondents (34.6%) observed that being part of the many generations of a family, places where one lived or had lived, the feeling of belonging to a community and the feeling of pride in one's country **were very important** to the sense of who they were as far as collective identity orientation is concerned. These include. The acknowledgement of these elements is assuring for individuals who will feel a sense of individualised consideration as a result thereof.

The majority of the respondents (31.8%) observed that  the feeling of belonging to a community **was somewhat** important to the sense of who they were as far as collective identity orientation was concerned. Communal associations are a strong part of social identity.

### 6.4.4 Social Categorisations

The results indicate that the majority (36.4 %) of the respondents observed that belongings or possessions, gender, belonging to an age group or generation, social class and physical athletic abilities **were somewhat** important to the sense of who they were as far as certain specific items is concerned. The items related to individualised pride is a key tenet of social identity.

The results further indicate an acknowledgment of power. The majority of respondents (29%) indicated that they believed that their leader would not bail them out at his or her expense. This falls short of transformational leadership as it lacks individualised consideration.

Power is the ability to influence the behaviour of others and manage limited resources. Power with its various dimensions and bases does not in itself relate to transformational leadership but referent power does. Transformational leaders possess  idealised influence and individualised consideration because they inspire, motivate, share a vision, mentor, respect individuals, foster creativity and act with integrity (McCleskey, 2014). Transformational leaders have the ability to influence and therefore they have power. Transformational leadership has a positive relationship with referent power.  Hughes (1993) notes the existence of a symbiotic relationship of mutual exchange with

transformation leadership as referent power which relies heavily on group inter(Zhu et al., 2012) relations harnessed over time.

Zhu, Sosik, Riggio, & Yang, 2012 hypothesis that there is a reciprocal relationship between the power bestowed on the leader and the sense of empowerment that the employees feel as a result of such bestowed leader.

Conclusion

Responses to the second hypothesis demonstrates that a sense of perceived power is strongly related to transformational leadership. In terms of hypothesis testing, the results indicated a strong positive relationship between perceived power and transformational leadership, therefore the null hypothesis is rejected. The results indicate that the hypothesis failed to be proven, that a sense of perceived power does reconcile or predict social identity.

## 6.5    Research Question 3: Does a sense of perceived power predict social identity?

H0: A sense of perceived power does not predict social identity
H1: A sense of perceived power predicts social identity
By rejecting the null hypothesis, the statistical analysis illustrated a sense of power predicts social identity.

Cheek & Briggs (1982) suggest that power, being the ability to influence for common purpose, can cater for personal identity orientation as it allows for one to see themselves in the context of intimate relationships between the follower and the leader. Those in power have the ability to project a superordinate or prototypical stature that allows for individual group members see themselves with pride in the context of a group. This is strongly related to the role within the social context and the reputation and statue of the in-group in which one aspires to be or is already in. This pride  motivates followers to be defensive against any threats to the in-group.

The results indicate that the majority of the respondents observed that influence, avoidance of retaliation and access to information **were sometimes** important to the sense of who they were. However, influence, avoidance of retaliation and access to information **were extremely** important to the sense of who they were.

Steffens, Haslam, & Reicher, (2014) further indicate that people's lives are often moulded by distinct and lasting sense of personal connections between their leaders and themselves. Leaders use this to create a unified body amongst their superordinate to represent a group. People can derive a sense of self by belonging and identifying with a group. The results of the research indicate that people will have a sense of social identity under the power (or influence) of a leader who has influence, access or control over information (and resources) and the ability to punish (thus avoiding retaliation).

Mooijman et al. (2015) suggests that power is the uneven control over pivotal and limited resources. Those in power are motivated to retain such power in order to protect their superior resource control positions (Mooijman et al., 2015).Magee & Smith (2013) indicate that with greater power, individuals will invariably be more action or approach orientated, seek out and take more risks, be less averse to possible losses, and more focused towards goal relevant information. The research is silent on whether this is linked to a specific power base. Citing the seminal work of P. K. Smith and Trope (2006) Magee & Smith (2013) argue that individuals in high power positions experience more social distance than those in lower power positions. Accepting that power creates social distance, does it also create social identity? Low power individuals are dependent on high power individuals for their desired outcomes. This dependency is vital for the organisation as it motivates compliance by those in lower power positions in favour of those in higher power positions.

## Conclusion

Responses to the third hypothesis, demonstrates that a sense of perceived power predicts social identity. In terms of hypothesis testing, the results indicated a strong positive relationship between perceived power. The results indicate that the null hypothesis was rejected and accordingly, a sense of perceived power predicts social identity.

## 6.6 Research Question 4: Does a perceived sense of power mediate the relationship between transformational leadership and social identity?

H0: A perceived sense of power does not mediate the relationship between transformational leadership and social identity.
H1: A perceived sense of power mediates the relationship between transformational leadership and social identity.

By rejecting the null hypothesis, the statistical analysis confirmed that the power of a leader is related to transformational leadership. The statistical anaylis indicates that the null hypothesis was rejected. Therefore a perceived sense of power mediates the relationship between transofmrational leadership and social identity.

Steffens, Haslam, & Reicher (2014) suggests that people will have a strong and direct relational identification with leaders. This relational identification is heightened in the presence of transformational leadership as a result of its four elements. The articulation and demonstration of a clear vision by the leader reduces uncertainty on the part of the followers. Idealised Influence or charisma allows followers to build close emotional ties with the leader. Bass, Bernard M and Avolio (1994) suggest that these emotional ties are linked to the leader's positive attitude reciprocated by trust and confidence on the part of the follower fostering a collective sense of mission and values. Individualised consideration strengthens social identity through the leader considering individual needs of the followers and harnessing their strength.

Rast, Gaffney, Hogg, & Crisp (2012) further note that the social identity theory of leadership hypothesises that members of the group are more likely to support prototypical leaders. The results of this study however indicate that in the presence of power, transformational leadership is not strengthened by a strong sense of social identity. This research contends that power plays a moderating role between transformational leadership and social identity. The results indicate that power need not have individualised consideration. Respondents indicated that they believe that their leader will not bail them out at his expense. Therefore, their leader in power does not

have individualised consideration. However, in the presence of transformational leadership with idealised influence a stronger sense of social identity is facilitated.

Power by definition being an inter relational element, infers that there is a dependency relationship between those with greater power and those with lesser power. This distinction is drawn because even with lesser power with numbers and or their variables this power can be forceful (Magee & Smith, 2013). Leadership roles are thus those who have the ability to exercise power over others irrespective of the power base. Those in leadership have the opportunity to consider things that are desirable, luxurious and enhancing whereas those with lesser power limit their time to feasible and necessary concerns (Magee & Smith, 2013). This is an exhibit of how power can be abused by harping on the aforementioned differences to the detriment of those with lesser power. However, DeWall et al., (2011) hypothesises that power increases goal oriented behaviour and that is the reason that it must be shared as is suggested in transformational leadership theory. This power sharing allows and enables the transformational leader to exert control over the employees or followers to feel empowered. This sense of feeling empowered shall result in the employees or followers to share in this social identity and transformational leadership.

Confident individual are more likely to attain power and status (Locke & Anderson, 2015). These often charismatic leaders easily gain influence of a reverent nature amongst their facilities. Chiu et al. (2015) suggest that employees who view their managers as leaders will be highly committed, willing to indulge their leaders' requests and in turn the employees will have a great sense of job satisfaction. This satisfaction decreases uncertainty and anxiety about the organisation and fosters a greater sense of the existing social identity.

What then enables leaders to thrive and in turn driver superior performance? A sense of reverent power which is a bi-lateral, inspirational idealised and deepens the relationship between the leader and follower and fosters a greater sense of special identity. This is transformational leadership where the leader is able to transform followers by inspiring, motivating and being idealised. These are the fundamental relational terms wherein leaders demonstrate prototypicality and extend social identity (Steffens, Haslam, & Reicher, 2014). The results of this research demonstrate that employees do not feel a

sense of protection and invariably protection from the leader making this a singular relationship.

According to Epitropaki, Kark, Mainemelis, & Lord, (2017) prototypical leaders have more influence over group members. If power is the ability to influence then the prototypical leaders have more power to influence than non-prototypical leaders

The leader-member-exchange theory aligns with social identity theory and reverent power (Feinberg et al., 2005). The results of this study onfirm this. The results reflects a leader follower relationship that is symbiotic and based on trust, reliability or dependability as suggested by Feinberg et al. (2005). This fully accord with reverent power and transformational leadership. Social identity is thus encouraged because of compatibility, individualised consideration and competency (Northouse, 2012). Rast (2015) suggests that the effectiveness of transformational is increased.

Conclusion

Responses to the fourth hypothesis 4 demonstrate that a sense of perceived power mediates transformational leadership and social identity. In terms of hypothesis testing, the results indicated a strong positive relationship between perceived power, transformational leadership and social identity and therefore the null hypothesis rejected. The results indicate that the null hypothesis failed to be proved and that a sense of perceived power does reconcile or predicts social identity.

## Chapter 7 Conclusion

### 7.1    Introduction

The study was motivated by the need for apt transformational leadership rooted in social identity and power. This was due to the belief that leadership must deliver superior results and provide the organisation with a competitive advantage amongst its peers.

The previous chapter discussed the results of the study, which were presented in chapter 5. This chapter presents the conclusions reached following the analysis and discussion of the results and provides suggestions on the basis of these findings. Implications for business and management will also be presented. Like any other research, this study did not answer all questions related to the topic in general and accordingly has limitations. These will be outlined in this chapter. Recommendations and suggestions for future research will also be made in this chapter.

The focus of the study was to understand the relationship between transformational leadership, social identity and power. The primary objective of the study was to test if a relationship exists between these constructs. The secondary objective of the study was to test whether power predicted social identity. The final objective of the study was to test whether a perceived sense of power mediated the relationship between transformational leadership and social identity.

The literature reviewed in chapter 2 identified the gap and contributed to the construction of the four hypotheses outlined in Chapter 3. The variables, transformational leadership, social identity and power which were the basis for the formation of the hypotheses were used for testing two independent variables and one dependant variable. Power was tested as a predictor of social identity and also as a mediator between transformational leadership and social identity.

The transformational leadership measurement scales (the multifactor leadership questionnaire) was adapted and developed from existing literature and in line with the aim and motivation for the study. The social identity measurement scale was utilised as per the existing literature. The power measurement scale was developed from existing literature to satisfy the aim and motivation for the study. The hypotheses were statistically

tested using a multiple regression analysis against raw data collected from 124 employees employed in the financial services sector in South Africa.

This chapter summarises the main findings and concludes with academic research contributions managerial implications, limitations of the study and finally the recommendations for future research.

## 7.2 Principal findings (which are theoretical in nature)

### 7.2.1 Social Identity is related to transformational leadership in an organisation

The study demonstrates that social identity and transformational leadership have a statistically significant correlation. Social identity has a strong positive relationship with transformational leadership. Dansereau, Seitz, Chiu, Shaughnessy, & Yammarino (2013) hypothesise that leadership is the interpersonal relationship between the follower and the leader, which is an interactive and social process in which a leader influences the follower. Therefore, leadership exists in the context of a group. Social identity is an aspect of a person's self–concept emanating from their knowledge of their social group membership, together with the value and emotional significance of such membership (Tajfel, 1982). Employees with transformational leaders are likely to be motivated, inspired, creative and willing to forgo self-interest for the benefit of the organisation.

A strong sense of social identity reduces uncertainty amongst employees and thus provides them with protection and safety in the context of that organisational group. Therefore, if employees feel a strong sense of belonging in the organisation (social identity), they are thus likely to forgo self-interest to protect organisational goals. The heightened sense of collectivism results in employees feeling inspired, creative, motivated, safe and thus willing to protect the organisation at all costs. Thus, strong sense of social identity is related to transformational leadership. Leaders are thus encouraged to employ transformation leadership styles in order to foster and nurture the organisation's social identity.

Epitropaki et al. (2017) notes that transformational leadership positively predicts personal identification with the leader as well as social identification within the group.

The result of the study as far as social identity and transformational leadership thus come as no surprise.

### 7.2.2   Leader power is related to transformational leadership

Reverent power is an element of transformational leadership (Bass, 1985). Power has nuanced dimensions in addition to reverence. These include expert, legitimate, reward and coercive, Leaders also legitimate power by virtue of the positions that they hold and have the ability to reward or punish deviant behaviour. This is an exercise of both reward and coercive power. The fact that, to date, transformational leadership is linked primarily to reverent power is an area for academic improvement. Bass (1985) hypothesis remains unchallenged that reverent power is related to transformational leadership. There need to be a holistic relationship assessment between transformational leadership and all power bases.

The study confirms that there is a relationship between power and transformational leadership founded in referent power.

### 7.2.3   Perceived power of a leader predicts social identity

The results of the study indicate that the perceived power of the leader does predict social identity. Power is a dyadic relationship that includes both the person influencing and the person being influenced (Northouse, 2012; Raven, 2008). Social context thus exists as it is within the context of an existing group. Some leaders are prototypical and thus emerge from a group that already has values, characteristics and uniqueness. Some leaders are bestowed upon organisations thus sometimes making it difficult for them to assimilate and be prototypical. The power base of the leader is important in assessing their success with social identity. Epitropaki, Kark, Mainemelis, & Lord, (2017) hypothesises that prototypical leaders have inexplicably more influence over group members than those that are non-prototypical. The study confirms that power does predict social identity. It is probably social identity that is a likely predictor of power because of the followers desire to assimilate themselves with the prototypical leader.

### 7.2.3 A perceived sense of power mediates the relationship between transformational leadership and social identity

The study demonstrated that power does mediate the relationship between transformational leadership and social identity. The consistent limitation of taking a holistic view of power as opposed to the different power bases creates a false sense that all power dimensions facilitate transformational leadership and social identity. This may be because of the existence of darker or negative power, which the study has not singled out. Transformational leaders cannot use force in order to create social identity. In the definitions of both transformational leadership and social identity, force is completely absent. Power gives one the ability to influence and such ability to influence is itself limited to the power base used, lest there be a revolt.

### 7.3     Implications for management (business)

Force cannot be used to achieve social identity or transformation under transformational leadership. Business should be careful of the power bases from which they want to create social identity.  In existing organisations, leaders should first seek to assimilate themselves within the group and create a superordinate structure / prototypicality in order to drive a strong sense of social identity. An organisation that has a strong social identity is highly likely to reject a leader that is not prototypical and has not assimilated within the organisations' social identity. This will make leadership a challenge, least of all transformational leadership.

### 7.4     Limitations of the research

Power in relation to transformational leadership can be further investigated in the context of all power bases. This research was limited to the focus created by Bass (1985) of the existing relationship between transformational leadership and reverent power. The researcher was bound by existing literature.

The research project was under severe time constraints as the researcher's concentration was also extended to full time employment. Transformational leadership (by the leaders) was not considered through the leaders' perspective. The study was focused on transformational leadership and did not provide the analysis of the impact of all leadership styles on social identity and power.

The nature of the study being a snap shot of perceptions and opinions at a certain period in time does not track the continuous or on going perceptions of respondents.

Data was drawn from a sample of companies in the Gauteng financial services sector, which is widely held to be a male dominated sector. This may have limited the generalisability of the results beyond the present analysis.

## 7.5    Suggestions for future research

Transformational leadership needs to be assessed within each of the elements of power for a more precise conclusion on the relationship between power and transformational leadership.

Which power-base predicts social identity, as the study has demonstrated that not all power-bases predict social identity? There is potential to bolster theory in this regard and is therefore suggested for future research.

A further investigation into the presence of reverent, coercive and reward power being a mediator for transformational leadership and social identity can shed more light in this regard. Future work could also look at replicating the study but with data collection from both the subordinate and leader perspectives as opposed to just the subordinate perspective.

Power is omnipresent in the leader's ability to influence. Understanding how leaders obtain access to the resources of interpersonal power is an area, which has been underexplored in leadership and applied psychology literature. All leadership styles can be considered against power and social identity. Future research could look at replicating the study but with more data collected from both the subordinate and the leader perspective.

## 7.6    Conclusion

The ability to influence cannot be taken for granted. Influencing from the relevant power base is critical. Employees feel a greater sense of belonging in the presence of a transformational leader as the leader keeps them inspired, motivated and able to transcend self-interest(Effelsberg et al., 2014). In the presence of a strong social identity, transformational leaders' influence base need not be punitive. If indeed transformational

leadership exists in an organisation, it predicts personal identification with the leader as well as a strong sense of identification with the group. Therefore:

- Leaders need to first establish social identity before transformational leadership can be effected. Superimposed leadership that is not prototypical cannot use transformational leadership effectively.

- Prototypical leaders do not need to exercise their power to have influence. Prototypical leaders are influential because of the depersonalisation process that assimilates members' behaviour to their prototype (Hogg, 2016). Leaders should create a uniting superordinate persona that will decrease the need to exercise power.

- Social identity confers power to leadership as opposed to power being a predictor of social identity. Leaders need to strive first for social identity before power. Power does not mediate social identity and power.

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# Appendix 1: Administered Questionnaire

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## Appendix 2: Consistency Matrix

| PROPOSITIONS/ QUESTIONS/ HYPOTHESES | LITERATURE REVIEW | DATA COLLECTION TOOL | ANALYSIS |
|---|---|---|---|
| **Research Question 1:** Is social identity related transformational leadership in an organisation? | (Bass, Bernard M and Avolio, 1994; Dansereau et al., 2013; Epitropaki et al., 2017; Feinberg et al., 2005; Hogg, 2001; Locke & Anderson, 2015; McCleskey, 2014; Northouse, 2012; Rast, 2015; Steffens, Haslam, Reicher, et al., 2014; Walumbwa & Avolio, 2008) | Questionnaire (Multifactor leadership questionnaire and aspects of identity questionnaire) | Quantitative, deductive and explanatory through a regressions analysis on the SPSS |
| **Research Question 2:** Is the power of a leader related to transformational leadership? | (Aryee et al., 2012; "French_&_Raven_Studies_Social_Power_ch9_pp150-167.pdf," n.d.; Hogg, 2016; Hughes, 1993; Obst et al., 2011; Raven, 2008; Tajfel, 1982; Walumbwa & Avolio, 2008; Zhu et al., 2012) | Questionnaire (Multifactor leadership questionnaire and self-generated power questionnaire) | Quantitative, deductive and explanatory through a regressions analysis on the SPSS |
| **Research Question 3:** Does a sense of power predict social identity? | (Anderson & Sun, 2015; Bass, 1985; Dansereau et al., 2013; DeWall et al., 2011; German & Ii, 1956; Hogg, 2016; Magee & Smith, 2013; Mooijman et al., 2015)(Ashforth & Mael, 2011) | Questionnaire (Aspects of identity questionnaire and self-generated power questionnaire) | Quantitative, deductive and explanatory through a regressions analysis on the SPSS |
| **Research Question 4** Does a sense of power mediate the relationship between transformational leadership and social identity? | (Dansereau et al., 2013; German & Ii, 1956)(Anderson & Sun, 2015; Avolio & Bass, 2004; Bass, 1985; Feinberg et al., 2005; Fritsche et al., 2013; Magee & Smith, 2013; McCleskey, 2014; Mooijman et al., 2015; Steffens, Haslam, Reicher, et al., 2014; Yue & Akhtar, 2013) | Questionnaire (Multifactor leadership questionnaire, aspects of identity questionnaire and self-generated power questionnaire) | Quantitative, deductive and explanatory through a regressions analysis on the SPSS |

# Appendix 3: Ethical Clearance Letter