

Comparing Transformational Leadership in Successful and Unsuccessful Companies

Assoc. Prof. Dr. Gholamreza Jandaghi*

Assoc. Prof. Dr. Hassan Zareei Matin**

Ali Farjami***

Abstract

In this article, while it is attempted to describe the problem and its importance, transformational leadership is studied by considering leadership theories. Issues such as the definition of transformational leadership and its aspects are compared on the basis of the ideas of various connoisseurs and then it (transformational leadership) is examined in successful and less successful companies. According to the methodology, the method of research, assumptions, community and statistical sample are investigated and research findings are analyzed by using descriptive and deductive statistical methods in the framework of analytical tables. Finally, our conclusion is provided by considering the results of statistical tests. The final result shows that there is more transformational leadership in successful companies than unsuccessful ones.

Keywords: transformational leadership, idealized influence, inspirational motivation, intellectual stimulation, individualized considerations.

* B.A. General Management, Organizational Transformation

** University of Tehran, Qom Campus

*** University of Tehran, Qom Campus

Introduction:

Leadership is an issue drawn by researchers since old times. Because of their unique traits, leaders influence the organization and society overall. In the organizations, transformational leaders could be a competitive advantage to increase the efficacy and performance of such organizations. These organizations have to pose some changes in order to adopt themselves with environment. These changes could be occurred in areas such as human resources, aims, strategies, structures, etc. sometimes, the need to radical and fundamental changes is felt in the organizations. In such cases, transformational leadership is required to make radical changes.

It should be noted that radical changes are not only prescribe to treat internal problems but also this approach could be applicable for successful organizations in order to achieve higher performance and using present and future environmental chances is effective and inspirational.

Problem definition:

The effective role of managers and leaders in radical changes and transformations is unavoidable in the organizations. Leadership and management are not identical. To influence over others, management is depended on formal power while leadership is resulted from a social influence process. Leaders make cultures and their fundamental role is affecting others.

In other words, transformational leaders try to make changes that increase organizational efficacy and performance. These are changes that cause higher aim and expectations to the organization. One of the results of transformational leaders is organizational performance improvement. Transformational leader provides a ground for long-term organizational changes which facilitate the access of organizational system to higher objectives. Regarding the necessity of making fundamental changes in the organizations and the effective role of organizational leadership and management in such changes, it is necessary to do some researches in this field. Owing to the fact that transformational leadership is, *inter alia*, a new applied theory in organizational behavior and has achieved to valuable results in those organizations that have utilized it so far, in this research, the researcher tries to explain the situation of transformational leadership in successful and less successful organizations. It is noteworthy that the radical model in this research is Bernard Boss's transformational leadership model.

Transformational Leadership

The initial concept of transformational leadership was provided by Burns in his researches about political leaders. According to Burns, transformational leadership is a process in which leaders and followers promote each other to higher levels of morality and motivation. Transformational leaders help their followers to look at old problems via a new perspective. They stimulate their followers to attempt higher than usual levels. Transformational leaders inspire their followers to think more than their own aims and interests and to focus on greater team, organizational, national and global objectives. By providing future perspective, such leaders influence over their followers in a manner that they assume that perspective as their own aim and show high efforts to achieve it. These leaders are able to move the organization toward the ideal perspective by coordinating the employees and integrating all system components (Cacioppe, 2000, p. 336).

Transformational leaders are referred to those ones who try to show the organizations a new route for improvement and progress by generating new ideas and perspectives. They also mobilize the organization by motivating managers, employees and members of the organizations to radical changes, transforming organizational pillars to achieve necessary readiness and capabilities to move in this new route as well as achieving higher levels of idealized performance (Sanjaghi, 2000, p. 44).

Transformational leaders increase their followers' creativity, motivation and spirituality while transactional leaders address to personal and future interests of their followers. Transformational leaders

emphasize on what you can do for your country while transactional leaders focus on what the country can do for you (Ozgoly, 2004, p. 206).

Transformational leaders change their followers, empower them to develop and create new needs, tendencies and values because that their requirements are met. Therefore, the followers may grow, develop and change to leaders (Barker, 1992, p. 42).

Transformational leaders are facing with values, ethics, standards and long-term aims and focus on their followers' performance and development in order to increase their capabilities. Often, transformational leaders have strong internal ideals and values (Northhouse, 2001, p. 131).

Paul Hersey, Kenneth Blanchard and Johnson Dewey defines transformational leadership as an informed influence process in individuals or groups to create discontinuous changes in current conditions and organizational performance as a whole.

Burns emphasizes that transformational leaders have a vision and challenge others to do extraordinary works. He believes that transformational leaders are able to draw new necessary routes for modern organizations because that they are the source of changes. In other word, transformational leaders have complete influence over organizational changes. This kind of leadership can draw a clearer and better picture for future, define its vision for employees more effectively and the employees will accept their vision as a fact interestingly.

In 1985 and following to Burns' studies, Boss introduced a model of leadership that prescribed transactional and transformational leaderships for organizational stability and transformation respectively. In 1996, Boss and Alive expanded this model, defined the aspects of transactional and transformational leadership and even operationalized it in questionnaire called "Multifactor Leadership Questionnaire (MLQ)." In this model, the aspects of transformational leadership include idealized influence, intellectual stimulation, inspirational motivation and individualized considerations. The aspects of transactional leadership include conditional incentives and exception-based management. In this study, the researcher has used this model.

In 1978, Burns provided a description of transactional leadership on the basis of a changing profitable relation between leader and follower. Transactional leaders influence over their followers by incentives or punishments according to their performance. Transformational leadership is a dynamic and complicated process in which the leaders influence over followers' values, beliefs and aims. Changes in followers' behaviors cause changes in leaders' behaviors. Burns believed that transactional transformational leaderships are two separated points in leadership styles continuum (Moghali, 2002).

Boss believes that transformational leadership model is applicable in a universality manner which encourages the followers to neglect individual interests for group or organizational interests and stimulates them to work more than usual. Transformational leaders create an extraordinary motivation by confirming the employees' ideas and values and inspiring them to think about various problems by utilizing modern methods. Transformational leaders change the society by their own words and behaviors. Their followers have a feeling of respect, dignity and loyalty toward them. The influence of transformational leaders is based on their capabilities to inspire others through their words, conversation, insight and initiatives. Transformational leadership occurs when leaders improve their employees' interests toward themselves. The leaders create the awareness and acceptance of aims and mission of the group.

Boss believes that transformational leadership influences over followers' traits and behavior. Transformational leadership is a process in which the leader determines the followers' needs and demands as well as meeting such needs through a comprehensive effort in achieving determined aims. Transactional process addresses needs and demands to perform the tasks (Boss & Alive, 1993, p. 258).

The Factors of Transformational Leadership:

Charisma (idealized influence)

Charismatic leadership is a component of transformational leadership and idealized influence includes idealized traits and idealized behaviors. Inspiring the honor and proud to followers and their contribution to group interests are, *inter alia*, most obvious idealized characteristics of a leader. Followers' exaltation, dignity, respect and unquestioned obedience transmit an idealized feeling. Talking about the most important values and a strong feeling to aims as well as spiritual and moral results of decisions are among idealized behaviors indicators. Idealized influence causes that leader be a behavioral model for followers.

Idealized influence shows the capability of trust making and understanding the leadership by followers. It is a radical factor in accepting changes in the organization. Without such trust and braveness, any effort to conduct the organization in order to achieve its aims will be fruitless. A man can lead others when they are ready to be led by him/her. Others will believe and appreciate such person if he/she performs his/her duties well (potential followers). In other words, a man is a leader when he has idealized influence and has expressed it to their own followers. Basically, the followers will try to obey the leaders because of their idealized influence. However, the most successful leaders are achieving to a high level of trust and understanding because that followers mitigate them. Leaders with idealized influence are respected and trusted persons. Followers recognize themselves via him/her and try to mitigate him/her. Such leaders "perform right works" and possess high human and moral behaviors. Such leaders are not using their leadership power and capacity to achieve personal aims. They try to achieve organizational objectives by conducting and guiding their followers. Charisma explains those individuals who are special and stimulates others to follow their own perspectives (Northouse, 2001).

Inspirational Motivation

Inspirational motivation is one of the capabilities of transformational leadership that introduces the leader as a figure who encourages the followers to suitable behaviors inspirationally. When transformational changes should be posed in the organization, the leader shall encourage the followers to accept new belief and idea (change) continuously. Therefore, transformational leaders should behave in a special way and stimulate their followers. Implicitly, such behavior shows the tendency and optimistic and encourages team working.

Peter Senge believes that inspiration is the basis of motivation. It is this kind of motivation that stimulates the followers' commitment to perform organizational aims. Actually, in inspirational motivation, leaders create a shared insight for followers. The individuals learn when there is a factual vision not because the leaders tell them but because they themselves like to do that and not because that the leaders command them but because that they themselves want to act in this manner. This insight is higher than needs hierarchy levels and is inspired among followers by stimulating a shared insight of organizational aims.

Generally, inspirational motivation consists of:

1. Optimistic speaking of future
2. Enthusiastic speaking about what needed to be done
3. Expressing an attractive perspective of future
4. Stating the confidence to the fact that the aims will be met
5. Drawing an excited picture of what should be considered
6. Taking up challenging problems (Moghali, 2002, p. 70)

Intellectual Stimulation

Intellectual stimulation is one of the capabilities of transformational leaders which plays an important role in diversifying process of the organizations (change). Transformational leaders try to encourage their followers to creativity and innovation. Such leaders encourage changing in thinking methods about problem solving and use metaphors and examples. Therefore, they may use new and creative ideas to resolve the problems.

Boss believes that intellectual motivation is a driving force that stimulates the followers to think about beliefs and values as well as being aware of problems and their resolutions. In this line, transformational leadership promotes the followers' capabilities to understand the organizational nature and difficulties. What is considered here more is paying further attention to creative and developed ideas rather than rapid reactions. The leader creates a challenge for followers in order that they think about what they are doing. Also, this factor is recognized as a tool to generate learning organization.

Overall, intellectual stimulation consists of:

1. Reinvestigating basic assumptions and questioning them
2. Looking for various perspectives when resolving the problems
3. Enforcing others to look at the problem from different views
4. Encouraging nontraditional thinking to address traditional problems
5. Encouraging revising the ideas that are not questioned yet (Moghali, 2002, p. 71).

Individualized Consideration

Individualized consideration is another characteristic of transformational leadership. Paying attention to others is one of the most important aspects of transformational leadership. Individuals are supported by leaders and leaders are concern about their personal feelings and needs (Podsakoff, 1990).

Transformational leaders help their subordinates in fulfilling their potential talents and increasing their responsibilities in the organization. Transformational leaders differ from transactional leaders in diagnosing the needs because that transactional leader tries to meet lower needs than higher needs such as development and maturity.

Overall, individualized consideration consists of:

1. Spending time in teaching and coaching
2. Behaving others as persons not just group members
3. Paying attention to others as persons who are the owner of different needs, capabilities, dreams and wishes
4. Helping others to develop and grow their own capabilities
5. Listening to others demands and interests
6. Developing individuality and facilitating individuals' growth (Moghali, 2002, p. 73).

Effective utilization of transformational leaders' skills will indicate following traits of these leaders:

- Creativity
- Team-orientation

- Appreciation of others
- Teaching (learning)
- Responsibility.

Transactional leadership

According to Burns, transactional leadership is a kind of leadership based on transacts between leader and follower in a way that mutual personal tendencies are met. In other way, he believes that in this school, anything is observed from what persons are gaining and the relationship between leader and follower is profit-oriented and based on exchanging one thing to other thing. Transactional leadership points out the relation between leader and follower to provide their personal interests.

This approach to leadership emphasizes on the importance of relations between leader and follower as well mutual advantages that are generated via a contract. Based on this contract, leader grants followers the incentives and cognition in lieu of their commitment and loyalty (Robins, 2003, p. 317).

Burns believes that transactional leadership is the common leadership style in the organizations which consists of exchanging the stimulations and incentives by leaders to attract the support of followers. The aim of such leaders is to agree about some actions that will meet separated and immediate aims of both leaders and followers.

On the other hand, the aim of transformational leadership is more than meeting immediate needs. According to Burns, transformational leaders are looking for followers' potential motivations. The distinguished trait of transformational leaders is a common and shared objective. This objective links leaders and followers. Burns believes that transformational leadership is mainly superior to transactional leadership. He believes that transformational leadership is motivational, supreme and ethical in which human behavior and leaders/followers' ethical tendencies will grow up.

On the other hand, transactional leadership with its own static traits will cause the self-attraction and controlling over subordinates. It tries to meet follower's lower needs. Transformational leadership tries to satisfy Maslow high needs hierarchy (Siola, 1998).

Non-interference Leadership

It means the freedom of followers in time of leader's absent or avoiding leading others. It is considered as the most static style of leadership. In front of transactional leadership, non-interference indicates non-transactional and undifferentiated situation.

Research Methodology

The main aim of the research is to compare transformational leadership in successful and less successful companies at Qom's moulding industry. Its sub-aims include:

Sub-aims:

1. Studying the characteristics of idealized influence in successful and less successful companies at moulding industry
2. Studying the characteristics of intellectual stimulation in successful and less successful companies at moulding industry
3. Studying the characteristics of inspirational motivation in successful and less successful companies at moulding industry
4. Studying the characteristics of individualized consideration in successful and less successful companies at moulding industry

5. Ranking transformational leadership factors in successful and less successful companies at moulding industry

Research Hypotheses:

Main Hypothesis:

Leadership style in successful organizations is more based on transformational leadership model than less successful organizations.

Sub-Hypotheses:

1. Leadership style in successful organizations is more based on idealized influence than less successful organizations.
2. Leadership style in successful organizations is more based on inspirational motivation than less successful organizations.
3. Leadership style in successful organizations is more based on intellectual stimulation than less successful organizations.
4. Leadership style in successful organizations is more based on individual consideration than less successful organizations.

Type and Method of the Research

Regarding the aim, this research is applied one. The plan of the research is descriptive –type survey. It is descriptive because that it draws a picture of current situation and is a survey because that tries to collect the data of statistical community via questionnaire.

Statistical Community and Sample

In this research, statistical community includes the managers and employees of manufacturing private companies in Qom's moulding industry. Therefore, the personnel of these companies are considered as statistical community. To select successful and less successful companies, the suggestions and ideas of Industries and Mines Organization's experts who have complete information about the performance of these companies were utilized. It should be noted that successfulness or less successfulness of these companies were announced by Industries and Mines Organization according to their performance in recent three years (2003-2006).

Sampling Method:

Layer sampling is used in this research for organizations on the basis of the number of staff with high school or higher level educations. Inside the organizations, random sampling was used for final selection after determining the share of each organization based on considered limitations.

Sample Size

To determine the sample size, following formula was used. This formula is taken from Cochran G. William's book titled "Sampling Techniques"¹ (1977):

¹ Third edition, John Willey.

$$n = \frac{(Z_{\frac{\alpha}{2}} + Z_{1-\frac{\alpha}{2}})^2}{d^2}$$

$$d = \frac{\mu_1 - \mu_2}{S} \quad a = \frac{a}{n} \%$$

Owing to the fact that the sample variance was 125 which obtained from a pilot, total sample size was 68 persons. Regarding the possibility of non-returning the questionnaires, sample amount was considered 8- persons.

Research Domain:

(A) Thematic Domain

Research domain is organizational behavior studies and new leadership theories.

(B) Time Domain

Initial studies were begun in spring 2006 and then background studies were continued. In spring 2007, field studies as well as collecting and analyzing the data were come to an end.

(C) Place Domain

This research was done in Iran at Qom province and in private organizations of moulding industry.

Data Analysis Methods

After data collection via questionnaires, obtained data were analyzed by SPSS (Statistical Program in Social Sciences) software.

Utilized Dtatistical Dethods Include:

1. Abundance tests such as means, percentages, standard deviation, tables and graphs
2. T. Test to measuring the differences between successful and less successful organizations with regard to transformational leadership factors
3. Freedman ranking test for transformational leadership factors in successful and less successful organizations

Findings Analysis:

(A) Descriptive Statistics:

According to below table, the mean of transformational leadership in successful and less successful organizations is 3.32 and 2.81 respectively.

Transformational leadership	Successful organizations				Less successful organizations			
	Mean	medium	Mode	Standard deviation	Mean	medium	Mode	Standard deviation
	3.325	3.343	3.34	0.279	2.81	2.79	2.66	0.275

Analyzing the Indicators of Transformational Leadership in Successful Organizations:

Above table shows that in successful organizations, the mean, medium and mode of transformational leadership are above 3. It indicates that successful organizations possess more transformational leadership traits. Among transformational leadership aspects in successful organizations, inspirational motivation and individualized consideration have the highest and lowest mean respectively. So, one can say that managers shall try to enforce individualized consideration traits.

Descriptive statistics of transformational leadership indicators in successful companies

transformational leadership aspects	Mean	Medium	Mode	Standard deviation
Idealized influence	3.37	3.44	3.5	0.36
Intellectual stimulation	3.33	3.25	3	0.4
Inspirational motivation	3.47	3.5	3.5	0.46
Individualized consideration	3.12	3	3	0.36

Analyzing the Indicators of Transformational Leadership in Less Successful Organizations:

According to below table regarding descriptive statistics of transformational leadership aspects in less successful, we can observe that in these organizations, all transformational leadership aspects have lower mean than successful ones. Except than inspirational motivation, other aspects are under 3. In these organizations, inspirational motivation has the highest rank with 3.13 mean followed by intellectual stimulation with 2.86 mean, inspirational motivation with 2.69 mean and idealized influence with 2.58 mean.

Descriptive Statistics of Transformational Leadership Indicators in Less Successful Companies

transformational leadership aspects	Mean	Medium	Mode	Standard deviation
Idealized influence	2.58	2.62	2.5	0.24

Intellectual stimulation	2.86	2.75	2.75	0.42
Inspirational motivation	3.13	3.25	2.75	0.5
Individualized consideration	2.69	2.75	3	0.4

(B) Deductive Statistics:

Testing Main Hypothesis:

According to main hypothesis and research background studies, it is claimed that leadership style in successful companies is based on transformational leadership model. In other word, leaders in successful companies possess more transformational leadership traits. On this basis, testing main hypothesis will be as follow:

The mean of transformational leadership aspects in successful companies is lower or equal to unsuccessful companies. $H_0: M1 \leq M2$

The mean of transformational leadership aspects in successful companies is higher than unsuccessful companies. $H_0: M1 > M2$

With regard to hypothesis test, claim will be in opposite hypothesis. By using T.test with 95% confidential interval P-value = 0.000. Hence, hypothesis zero is refused and opposite hypothesis is supported namely; the mean of transformational leadership aspects in successful companies is further than unsuccessful ones. In other word, leaders in successful companies possess more traits of transformational leadership than less successful ones.

Testing the First Sub-Hypothesis:

According to first sub-hypothesis, it is claimed that leadership style in successful companies is more based on idealized influence. Hence, hypothesis test is expressed as follow:

The idealized influence mean in successful companies is lower or equal to unsuccessful companies. $H_0: M1 \leq M2$

The idealized influence mean in successful companies is higher than unsuccessful companies. $H_0: M1 > M2$

With regard to hypothesis test, claim will be in opposite hypothesis. By using T.test with 95% confidence level P-value = 0.000. Hence, hypothesis zero is refused and opposite hypothesis is supported namely; the idealized influence mean in successful companies is further than unsuccessful ones. In other word, leaders in successful companies possess more idealized influence than less successful ones.

Testing the Second Sub-Hypothesis:

According to second sub-hypothesis, it is claimed that leadership style in successful companies is more based on inspirational motivation. Hence, hypothesis test is expressed as follow:

The inspirational motivation mean in successful companies is lower or equal to unsuccessful companies. $H_0: M1 \leq M2$

The inspirational motivation mean in successful companies is higher than unsuccessful companies. $H_0: M1 > M2$

With regard to hypothesis test, claim will be in opposite hypothesis. By using T.test with 95% confidence level P-value = 0.000. Hence, hypothesis zero is refused and opposite hypothesis is supported namely; the inspirational motivation mean in successful companies is further than unsuccessful ones. In other word, leaders in successful companies possess more inspirational motivation than less successful ones.

Testing the Third Sub-Hypothesis:

According to third sub-hypothesis, it is claimed that leadership style in successful companies is more based on intellectual stimulation. Hence, hypothesis test is expressed as follow:

The intellectual stimulation mean in successful companies is lower or equal to unsuccessful companies. $H_0: M1 \leq M2$

The intellectual stimulation mean in successful companies is higher than unsuccessful companies. $H_0: M1 > M2$

With regard to hypothesis test, claim will be in opposite hypothesis. By using T.test with 95% confidence level P-value = 0.000. Hence, hypothesis zero is refused and opposite hypothesis is supported namely; the intellectual stimulation mean in successful companies is further than unsuccessful ones. In other word, leaders in successful companies possess more intellectual stimulation than less successful ones.

Testing the Third Sub-Hypothesis:

According to fourth sub-hypothesis, it is claimed that leadership style in successful companies is more based on individualized consideration. Hence, hypothesis test is expressed as follow:

The individualized consideration mean in successful companies is lower or equal to unsuccessful companies. $H_0: M1 \leq M2$

The individualized consideration mean in successful companies is higher than unsuccessful companies. $H_0: M1 > M2$

With regard to hypothesis test, claim will be in opposite hypothesis. By using T.test with 95% confidence level P-value = 0.000. Hence, hypothesis zero is refused and opposite hypothesis is supported namely; the individualized consideration mean in successful companies is further than unsuccessful ones. In other word, leaders in successful companies possess more individualized consideration than less successful ones.

Side Results:

Owing to the fact that we had the data of transactional leadership, the information of this part of the questionnaire was also analyzed. On this basis, by comparing transactional leadership in both successful and less successful companies and using T.test, it was obvious that regarding transactional leadership there is no significant difference with 5% error level between successful and less successful companies. It reveals that transactional leadership is applied both communities of successful and less successful companies with this difference that in both communities the transactional leadership is too low.

Regarding non-inference leadership, it was proved that there is no significant difference between both successful and less successful companies. It had too low mean in both communities.

Conclusion

Results from Descriptive Statistics

By reviewing the mean of transformational leadership aspects in successful and less successful companies, we can understand that the mean of transformational leadership aspects in successful companies is higher than less successful ones. In this line and in successful companies, the highest and lowest mean belong to inspirational motivation (3.47) and individualized consideration (3.12) respectively. In less successful companies, the highest and lowest mean belong to inspirational motivation (3.13) and idealized influence (2.58) respectively.

The comparison of transformational leadership aspects in successful and less successful companies

Aspects	Group	Mean	Medium	Standard deviation
Idealized influence	Successful	3.37	3, 44	0.36
	Less successful	2.58	2, 62	0.24
Intellectual stimulation	Successful	3.33	3, 25	0.4
	Less successful	2.86	2, 75	0.42
Inspirational motivation	Successful	3.47	3, 5	0.46
	Less successful	3.13	3, 25	0.5
Individualized consideration	Successful	3.12	3	0.36
	Less successful	2.69	2, 75	0.4

By considering above table, we conclude that managers and employees in studied companies have good mean in inspirational motivation to other aspects. In other word, the leaders in these companies are highly active in stimulating and increasing employees' motivations. Inspirational motivation includes optimistic forethought, explaining an attractive perspective of future and expressing the confidence to the fact that all aims are achievable. It seems that the leaders in studied companies are highly paying attention to this aspect and its mean is higher than all other aspect in both categories. Overall, one can conclude that the leaders know the motivational issues of their personnel and can answer them positively by using motivational techniques and satisfying personnel needs.

What is obvious from above table is that managers and leaders in successful companies are acting weakly in individualized consideration aspect. Individualized consideration points out the leaders' allocated time to their personnel, training, developing the skills and general employees' empowerment which has the lowest mean among transformational leadership aspects unfortunately. In other word, leaders in successful companies should enforce this aspect and value the employees' demands and interests which are among individualized consideration.

In less successful companies, all transformational leadership aspects except than inspirational motivation have low mean. In these companies, the mean of transformational leadership show that leaders in such companies have lower transformational leadership traits. In such companies, idealized influence has the lowest mean. According to definition, idealized information means inspiring the proud and honor in employees, talking about the most important values and beliefs as well as paying attention to spirituality and morality in decision-makings. It is obvious that these factors are not implemented in less successful companies. Also, intellectual stimulation and individualized consideration have low mean in such companies.

In successful companies, idealized influence and intellectual stimulation have good situation after inspirational motivation. It shows that the leaders in successful companies benefit more transformational leadership traits.

Conclusion of Deductive Statistics:

Results from Main Hypothesis Test:

With regard to main hypothesis in which the researcher was looking for comparing the transformational leadership situation in successful and less successful companies, hypothesis zero indicated that it was lower or equal to transformational leadership mean was rejected in 5% error level. It means that transformational leadership aspects in successful companies is further than less successful companies and the leadership style in successful companies is more based on transformational leadership.

Conclusion of First Sub-Hypothesis Test:

In first assumption, hypothesis zero was that the mean of idealized influence in successful companies is lower or equal to less successful companies. With regard to obtained results from data analysis, hypothesis zero was rejected with 5% error level. In other words, idealized influence mean in successful companies is more than less successful ones. It means that leadership in successful companies is more based on idealized influence.

Conclusion of Second Sub-Hypothesis Test:

In second assumption, hypothesis zero was that the mean of inspirational motivation in successful companies is lower or equal to less successful companies. With regard to obtained results from data analysis, hypothesis zero was rejected with 5% error level. In other words, inspirational motivation mean in successful companies is more than less successful ones. It means that leadership in successful companies is more based on inspirational motivation.

Conclusion of Third Sub-Hypothesis Test:

In third assumption, hypothesis zero was that the mean of intellectual stimulation in successful companies is lower or equal to less successful companies. With regard to obtained results from data analysis, hypothesis zero was rejected with 5% error level. In other words, intellectual stimulation mean in successful companies is more than less successful ones. It means that leadership in successful companies is more based on intellectual stimulation.

Conclusion of Fourth Sub-Hypothesis Test:

In fourth assumption, hypothesis zero was that the mean of individual consideration in successful companies is lower or equal to less successful companies. With regard to obtained results from data analysis, hypothesis zero was rejected with 5% error level. In other words, individual consideration mean in successful companies is more than less successful ones. It means that leadership in successful companies is more based on individual consideration.

Applied Suggestions to Managers According to the Research Findings

First Suggestion:

Regarding the statistical tables describe in detail, one can understand that in successful companies, transformational leadership aspects have high means. It leads us to the fact that more transformational leadership traits among managers and staff will influence over organizational success and performance remarkably. Therefore, it is proposed that our managers should be aware of transformational leadership and should apply its traits and strengths of this theory in practice. The managers will be more commitment and interested in executing organizational behavior and management course if they pass relevant training. Therefore, training and informing managers about behavioral and managerial problems by Industries and Mines Organization are necessary. Hence, at first step, managers should be aware of organizational behavioral and managerial basics. It could be easily come to practice by training sector of Industrial and Mines Organization.

Second Suggestion:

Regarding the mean of transformational leadership aspects in successful companies, the lowest mean is belonged to individualized consideration. One of the main important principles of transformational leadership is to promote employees' capabilities and capacities. Those who have a high level of capabilities learn more and feel further domination. To generate self-proud, transformational leadership should play training and coaching roles. Therefore, the managers of such companies are invited to pay attention to self-efficacy and organizational performance. Talking with employees, planning tours and recreational trips, organizing short-term training courses in organizations and considering demands and personal difficulties of staff could help them to benefit this aspect effectively.

Third Suggestion:

Regarding statistical table for less successful companies, we observe that most aspects have low mean. So, the importance of this issue is determined here further. By comparing successful and less successful companies, one can observe that the effect of transformational leadership on organizational success and performance is undeniable. Therefore, it is suggested that managers of such firms, pay attention to transformational leadership factors quickly in order to make behavioral and structural changes in organizational behavior and structure, to survive and to vie in a competitive environment. Therefore, the managers are strongly advised to take necessary measure in applying discussed factors and traits as soon as possible.

With regard to the mean of transformational leadership aspects in less successful companies, it is obvious that idealized influence has the lowest mean. Therefore, the managers are advised to promote themselves in this aspect by behaviors such as respecting the personnel, proud inspiration and expressing their importance for society and country. In this aspect, the factors of charismatic are concerned, that is, those traits that cause to respect leader by personnel and consider the leader as a working and behavioral pattern. One of the leaders' capabilities in this aspect is the ability of trust-making and understanding the leader by followers without which it is impossible to achieve this aspect. Therefore, managers should promote their companies to a level of leadership traits that could be accepted by their personnel as their ethical, behavioral and working pattern.

Fourth Suggestion:

Regarding intellectual stimulation, managers in less successful companies possess low mean. Therefore, they are proposed to take following measure in order to enhance and promote this aspect:

1. Allowing individuals to perform specialized works in order to grow their talents and creativity.
2. Enforcing them to observe the issues from different views.
3. Using suggestions in the company and valuing others' suggestions.
4. Inspiring employees' self-confidence to perform the works.

References

- Avogio, B.j,Zhu, W.,Koh, W.Bhatia. P.(2004). Transformational leadership and organizational commitment: mediating roll of psychological empowerment and moderating roll nonstructural distance, journal of organizational behavior, Vole 25, pp. 951-968.
- Avolio, B.J., Bass, B.M. &Jung, D.I. (1999). Re-examining the components of transformational and transactional leadership using the multifactor leadership questionnaire. Journal of Occupational and Organizational Psychology, Leicester.
- Azar, Adel & Momeni, Mansoor (1998), "Statistics and its Application in Management", second edition, Tehran, Samt Publications.
- Bass, B.M. & Avolio, B.J (1994). Improving Organizational Effectiveness through Transformational Leadership. Thousand Oaks, CA: Sage
- Bass, B.M. & Yammarino, F.J. (1991). Congruence of self and others' leadership ratings of naval officers for understanding successful performance. Applied psychology: An internal Review, 40:437-454
- Bass, B.M. (1985). Leadership and Performance Beyond Expectations.New York: The Free Press.
- Bass, B.M. (1997). Does the transactional-transformational leadership paradigm transcend organizational and national boundaries? American Psychologist, 52:130-139
- Bass, B.M., (1998), Charismatic Leadership, Jossy-bass Publishers
- Burns, J.M. (1978). Leadership. New York: Harper & Row.
- Cacioppe, R. (1997). Leadership moment by moment: leadership and organization Development journal, vol. 18,No.7:335-345
- Ciulla, J.B. (1998).Ethics, the heart of leadership, London: Praeger
- Cochran G. (1977). Sampling Techniques, 3rd Edition. John Wiley.
- Covey, S. (1992). Principle – Centered leadership. Simon and Schuster.

- Elenkov, D.S (2002). Effects of leadership on organizational performance in Russian companies. *Journal of Business Research*, 55: 467-480.
- Gary, Yobel (2003), "Management and Leadership in Organizations", translated by Mohammad Ozgoli and Ghassem Ghanbari, Tehran, Imam Hossein University Publications.
- Harrison, Jennifer. Dymoke, sue. Pell, Tony, (2006). Mentoring beginning teacher in secondary schools: An analysis of practice, *Teaching and Teacher Education* 22 (2006) 1055-1067
- Howell, J.M. & Avolio, B.J. (1992). The ethics of charismatic leadership: submission or liberations? *Academy of Management Executive*. Vol 6 No 2,: 43-54
- Jandaghi, Gholam Reza (2005), "Advanced Statistical Analysis", unpublished class booklet, post-graduate course, 2005-2006.
- Kent, Tony. Dennis, Charles. An evolution of mentoring, *International journal of Retail & Distribution management* volum 31. Number 8. 2003 440-448.
- Kouzes, J.& Posner, B. (1987). *The Leadership Challenge: How to Get Extraordinary Things Done in Organizations*. San Francisco, CA: Jossey-Bass
- Moghali, Ali Reza (2002), "Transformational Leadership in Iranian Administrative Organizations", Doctorate thesis, Alameh Tabatabaeei University.
- Moghali, Ali Reza (2003), "Designing Transformational Leadership Model in Iranian Administrative Organizations, *Management Knowledge*, vol. 62.
- Moghimi, Seyed Mohammad (1998), "An Organization with Research Approach", Termeh Publications.
- Mohammad Reza, Zali (1998), "Transformational Leadership", *Mesbah seasonal*, seventh year, vol. 25.
- Moorehead, Griffin (1995), "Organizational Behavior", translated by Seyed Mehdi Alvani and Gholam Reza Memar Zadeh, Morvarid Publications, first edition.
- Nemanich A. Louise & Keller T.Robert (2007). Transformational Leadership in an acquisition: A field study of employes. *The leadership Quarterly* 18. 46-68.
- Northouse, P.G.(2001). *Leadership/theory and practice*, London: Sage
- Ozgoli, Mohammad (1998), "Strategic Perspective Leadership", Tehran, Imam Hossein University Publications
- Raffrety, A. E. Griffin, M. A (2004). Dimensions of transformational leadership: conceptual and empirical extensions, *The leadership Quarterly*, vol 15, iss3, pp 329-359.
- Robbins, S.P, (2005). *Organizational Behavior*, 11th edition prentice hall.
- Sandbakken, Dag A, (2006). *Leadership Practices and organizational Performance a Nor*
- Sanjaghi, Mohammad Ebrahim (2001), "An Analysis of Nature and Aspects of Transformational Leadership", *Liberal Arts Scientific and Research seasonal*, Al-Zahra University, 11th year, vols. 37 & 38.
- Scanura, T.A., Williams, E.A. (2004), "Mentoring and transformational leadership: the role of supervisory carree mentoring" , *Journal of Vocational Behavior*, Vol. 65. pp.448-68.
- Scaran, Omah (2002), "Research Methods in Managenet", translated by Mohammad Saebi and Mohammad Shirazi, Tehran, High Institute of Teaching and Studying Planning Management".
- Shamir, B. (1999). Leadership in Boundary less Organizations: Disposable or Indispensalbe? *European Journal of Work and Organizational Psychology*, 8(1): 49-71.
- Shermerhorn, John R. (2002), "Organizational Behavior Management", translated by Iran Nejad Parizi, Tehran, Managers Publication.

Simic, Ivan, (1998), Transformational Leadership key to Successful management of Transformational Organizational Changes, The Scientific journal fact universities, vol. 1, No.6, 1998, pp.49-55

Snajaghi, Mohammad Ebrahim (2000), "The Role and Function of Cultural Factors in Transformational Leadership", Management knowledge, 13th year, vol. 50.

Sosik, J.J. (1997). Effects of transformational leadership and anonymity on idea generation in computer mediated groups. *Group and Organizational Management*, 22(4): 460-488

Stephen. P. Robins (1999), "Organizational behavior", translated by Ali Parsian and Seyed Mohammad Arabi, Tehran, Cultural Research Office.

Tichy, N. Devanna, M.A. The Transformational Leader, John Willy and Sons, Inc, USA, 1986.

Waldman, D.A., & Yammarino, F.J. (1999). CEO charismatic leadership: Levels-of-management and levels-of analysis effects. *Academy of Management Review*, 24(2): 266-285

Wegian Study. Published in EDAMBA Journal 2006

Yukl. G (1994). Leadership in organizations, New Jersey: Prentice-Hall.