

The impact of transformational leadership on remotely working employees' motivation

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Abstract

Working remotely is becoming more and more popular due to several reasons. Some of the reasons are improved work-life balance, avoiding long commutes to work and back and increased work flexibility. The Covid-19 pandemic has forced millions of employees worldwide to work from home. This transformation from working in the office to working from home will continue due to the advantages it offers. It is important for the company leadership to be able to effectively manage their employees who work remotely. This study examines the impact of transformational leadership on the motivation of remotely working employees. A survey was conducted among remotely working employees from various industries using a structured online questionnaire. The questionnaire was answered by 150 remotely working employees. Six transformational leadership traits were hypothesized to impact the motivation of remotely working employees. The primary data collected was analyzed using correlation and multiple linear regression analysis. The correlation results revealed that all the six transformational leadership traits (goal oriented, supportive, inspiring, encouraging, relationship oriented and creative) have a positive correlation with remotely working employee's motivation. Multiple linear regression results revealed that creative and supportive traits were the most significant traits influencing the motivation of remotely working employees. It is vital to ensure that employees are motivated to perform their job well. This is especially true of remotely working employees who are isolated from their work colleagues. This isolation may affect their motivation due to challenges in interacting with their peers and the leadership. The Covid-19 pandemic has pushed millions of employees all over the world, to work remotely. The transformational leadership style has been identified to be suitable during times of crisis, such as the Covid-19 pandemic. Therefore, a study on the impact of transformational leadership on remotely working employees' motivation is of utmost importance.

Keywords: Transformational leadership, Remote working, Employee motivation, Covid-19 pandemic

1. Introduction

1.1 Background

The Internet and mobile connectivity have made working remotely very popular. Being able to facilitate employees to work remotely instead of reporting to an office poses significant benefits to both employers and employees. Some of the advantages are cost reduction due to low overheads and wider access to human resources for the employers and saving travel time & cost and improving work life balance for the employees (Russel, 2020).

Donati et al. (2021) emphasizes that employers should sustain remote working employee motivation since being restricted to electronic communication can cause isolation and reduces frequent informal interaction among employees. Maintaining employee motivation is important to ensure mental wellbeing as well as job satisfaction levels are improved (Molino, 2020). Remotely working employees are scattered across geographies collaborating through digital communication means. A leader is needed to synergize their work for optimum output while maintaining employee loyalty and admiration. Therefore, in a remote working environment, the leadership style performs a crucial part in maintaining motivation levels of employees (Andersen, 2018). Sinclair (2021) states that Transformational Leadership is an appropriate and robust type of leadership which suits leading a remote workforce.

1.2 Problem Statement

As organizations came to a standstill due to Covid-19 related lockdowns and international border closures, organizations rapidly moved to converting employees to remote workers in order to sustain business operations. Gartner (2021) estimated that the global remote working population was likely to reach 32% by the end of the year 2021. Furthermore, a survey by QuantumWorkplace (2021) on a sample of 32,000 remote working employees observed 77% of participants reporting an increase in productivity, while working remotely over working from a physical office location.

However remote working has several disadvantages, such as employee isolation, anxiety and doubt, lack of motivation in the long term, less emotional connections among colleagues as well as severe limitations in physical encounters between colleagues (Grant et al., 2013). Hence, for any organization, motivation and engagement with their remote working employees is necessary and should be a top priority to ensure that they can fulfill their job responsibilities well.

The lack of maturity and expertise in managing remote working employees as well as insufficient leaders to direct a workforce which was suddenly switched from on premises duties to remote working roles owing to the ongoing Covid-19 pandemic, has led to new challenges in people management (Donnelly and Johns, 2021). Finding methods to ensure workers are well motivated and grievances resolved to

perform their day-to-day duties has now become a common challenge to most organizations due to remote working employees.

Remotely working employees can also suffer from lack of motivation to perform their jobs effectively, due to being separated from their peers and the company leadership and due to other challenges, such as poor connectivity and technology related issues. Therefore, it is important for the leadership to be able to motivate their remotely working employees to perform their jobs well, in order to ensure consistent desirable work output. The transformational leadership style has been identified as a suitable leadership style to manage remote working employees (Sinclair, 2021). There is limited research on the impact of remote working on employee motivation, especially in Sri Lanka. Therefore, a study on the impact of transformational leadership style on the motivation of remotely working employees will contribute to fill this research gap.

1.3 Research Aim

The aim of this study is to examine the impact of the transformational leadership style on the motivation of remotely working employees.

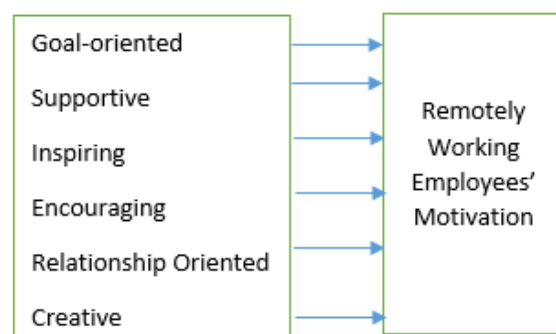
1.4 Scope

A total of 150 remotely working employees from various industries were surveyed in this study. The survey was conducted in Colombo, Sri Lanka.

2. Research Design

2.1 Theoretical Framework

The theoretical framework used in this study is shown in Figure 1. It is based on six transformational leadership traits, which have an influence on employee motivation based on empirical research.



Independent Variables Dependent Variable

Figure 1. Theoretical Framework

2.2 Hypotheses

The following hypotheses were formulated based on the conceptual framework.

H1: A goal orientated leader will have a positive impact on remotely working employees' motivation

Dragoni (2005) stated that positive employee motivation was attained when leaders were goal

orientated. Locke and Latham (2006) highlighted that a goal orientated manager has a high level of influence on employee motivation. Apart from motivating their followers, goal-oriented leaders can build positive interpersonal relationships with their team members (Porter et al., 2016).

H2: A supportive leader will have a positive impact on remotely working employees' motivation

Lam et al. (2007) stated that supportive leaders were able to enhance healthy work relationships with subordinates. Supportive leaders created a friendly work atmosphere and build supportive relationships with their employees thereby enhancing employee well-being (House, 1996).

H3: An inspiring leader will have a positive impact on remotely working employees' motivation

Avolio (1999) and Top et al. (2020) observed that leaders who inspire their followers were able to build and sustain a motivated workforce. By creating an inspirational atmosphere, a leader empowers their followers to be more open and creative.

H4: An encouraging leader will have a positive impact on remotely working employees' motivation

Pink (2009) observed that encouraging remote workers to operate autonomously in their day-to-day activities resulted in a positive level of employee motivation. Encouraging leaders

who support employees to perform better through moral boosting coaching sessions are able to keep employees highly motivated (McDonald, 2020).

H5: A relationship orientated leader will have a positive impact on remotely working employees' motivation

Basford and Offermann (2012) highlighted that positive relationships between leaders and followers resulted in motivated employees as well as provided further incentive to continue serving in the same organization. Men (2011) observed that a relationship-oriented leader promoted employee empowerment and created a highly motivated workforce. Such leaders were able to create self-confidence through empowerment within their followers and thereby encouraged open communication, which resulted in a motivated team (Herrmann and Felfe, 2012).

H6: A creative leader will have a positive impact on remotely working employees' motivation

Blaskova and Trskova (2017) concluded that a highly creative leader is able to better motivate their employees to be creative. Generation Z employees were found to be more motivated by creative and inspiring leaders over financial remuneration (Vernooij and Wolfe, 2014).

2.3 Methodology

An online survey was used with close ended questions using a 1 - 5 Likert scale to assess the impact of transformational leadership traits on

remotely working employees' motivation. The pilot test was successful, and no changes were made to the questionnaire. The questionnaire was distributed to 150 employees and 103 responses were received. The response rate was 68.7%. The demographics details of the respondents are given in Table 1.

Table 1. Demographic Data

Demographic Data		Percentage
Gender	Male	59%
	Female	41%
Work Experience	15 years	24%
	16 - 20 years	51%
	More than 20 years	25%
Industry	Business	46%
	Finance	
	Education	12%
	Information Technology	8%
	Entertainment (Media)	6%
	Construction	6%
	Other	22%

Statistical Package for Social Sciences (SPSS version 20) was used to analyze the primary data collected.

3. Analysis and Findings

3.1 Cronbach's Alpha

Data validity was computed using Cronbach's Alpha for all the variables in the study. All Cronbach's Alpha values were 0.9 and above, and therefore are deemed reliable.

3.2 Correlation Analysis

Correlation analysis using Pearson's Correlation Coefficient was used to test the relationship between transformational leadership traits and remotely working employees' motivation. The correlation analysis results are given in Table 2.

Table 2. Correlation Analysis

Independent Variable	Pearson Correlation Coefficient	Significance
Goal Oriented	.679	.000
Supportive	.754	.000
Inspiring	.778	.000
Encouraging	.745	.000
Relationship Oriented	.769	.000
Creative	.791	.000

The correlation analysis reveals that all the independent variables have a positive correlation with employee motivation (at 5% significance level). Therefore, the six hypotheses formulated in this study are supported, as shown in Table 3.

Table 3. Hypotheses Validation

Hypotheses	Supported
H1: A goal orientated leader will have a positive impact on remotely working employees' motivation	Yes
H2: A supportive leader will have a positive impact on remotely working employees' motivation	Yes
H3: An inspiring leader will have a positive impact on remotely working employees' motivation	Yes
H4: An encouraging leader will have a positive impact on remotely working employees' motivation	Yes
H5: A relationship orientated leader will have a positive impact on remotely working employees' motivation	Yes
H6: A creative leader will have a positive impact on remotely working employees' motivation	Yes

The correlation analysis results reveal that all the six transformational traits have a positive correlation with remotely working employees' motivation.

3.3 Multiple Linear Regression

Multiple linear regression results revealed that the most significant transformational traits are being supportive and creative (at 5% significance level), as shown in Table 4.

Table 1. Multiple Linear Regression Analysis

Independent Variable	Beta	Significance
Goal Oriented	0.028	0.772
Supportive	0.367	0.000
Inspiring	0.189	0.139
Encouraging	0.006	0.961
Relationship Oriented	0.204	0.084
Creative	0.515	0.000

The regression model has a R square value of 0.684.

3.4 Degree of Satisfaction with Maslow's needs

The respondents rated their degree of satisfaction with transformational leadership traits of the senior management using a Likert Scale. The results are given in Table 5.

Table 5. Degree of Satisfaction with Transformational Leadership Traits

Leadership Trait	Average Rating
Goal Oriented	3.8
Supportive	3.7
Inspiring	3.7
Encouraging	3.7
Relationship Oriented	3.9
Creative	3.8

Note: 1- Highly Dissatisfied to 5- Highly Satisfied

The ratings reveal that the respondents are satisfied (average ratings of 3.7 to 3.9) with the transformational leadership traits of the senior management during remote work. Employee motivation also received an overall rating of 4.1, which means the remote working employees are motivated to perform their job, even though they work remotely without direct contact with peers and the management.

4. Discussion

4.1 Goal Orientation

Goal orientation has a strong positive correlation with remotely working employee motivation. Therefore, the leadership must display goal orientation leadership traits. By expressing their goal orientation, leaders succeed in getting employees focused and motivated (Dragoni, 2005). However, goal

orientation can result in employee dissatisfaction, if the leaders' goal orientation is towards self-promoting or those which increase work pressure. As such, goal-oriented leaders should ensure that their goals are in accordance with the organizational strategy and vision, clearly communicate their goals to subordinates, ensure that the goals pursued by the leader do not negatively affect the subordinates.

4.2 Supportive

The supportive leadership trait has a strong positive correlation with remotely working employee motivation. It is also the most significant leadership trait that impacts employee motivation (along with the creative trait). Therefore, a leader must display qualities of empathy, compassion and assistance and support the employees to achieve their work goals and maintain good mental and physical well-being.

4.3 Inspiring

The inspiring leadership trait has a strong positive correlation with remotely working employee motivation. Thus, an inspiring leader can motivate employees to exert themselves to achieve exceptional results. However, some leaders may tend to pursue initiatives which are more beneficial to their own career growth rather than the overall goals of the team or the company.

4.4 Encouraging

The encouraging leadership trait has a strong positive correlation with remotely working employee motivation. Leaders who encourage employees to openly share their ideas and suggestions are able to motivate them to do well at work. Certain leaders might downplay weak or unfitting ideas from subordinates during problem solving. However, allowing team members to explain themselves and politely reasoning out why the ideas are being excluded creates a feeling of openness and encouragement for the rest of the team to come forward with their thoughts due to the lack of being rejected or humiliated.

4.5 Relationship Oriented

The relationship-oriented leadership trait has a strong positive correlation with remotely working employee motivation. Research suggests that a key trigger of enhancing employee engagement is through effective communication between leaders and followers (Karanges et al., 2015). Therefore, a leader who is approachable and communicates well with employees is capable of motivating them to perform well at work.

4.6 Creative

The creative leadership trait has a strong positive correlation with remotely working employee motivation. It is also the most significant leadership trait that impacts employee motivation (along with the supportive trait). Transformational leaders

ensure that their creative traits are propagated to their subordinates by facilitating a supportive environment (Pieterse et al., 2009; Amabile and Khaire, 2008). Leaders should ensure that organizational bureaucracy is kept to the minimum and a relaxed and welcoming work environment is sustained so that the subordinates can express themselves freely and be influenced by the creative traits of a transformational leader.

5. Conclusion

In conclusion, this study has revealed that the six transformational leadership traits (goal oriented, supportive, inspiring, encouraging, relationship oriented and creative) have a positive correlation with the motivation of remotely working employees. The most significant transformational leadership traits that have an impact of employee motivation of remote workers are supportive and creative. Overall, the respondents were satisfied with the leadership traits of the management. The respondents were also satisfied with their level of motivation.

Empirical studies have shown that transformational leadership traits have a positive influence in successfully motivating employees. This study has shown that this is true, when it comes to remotely working employees as well. The respondents belong to different industries (business finance, education, information technology etc.). Therefore, transformational leadership traits

are effective in motivating employees from different industries.

Since transformational leadership traits improve employee motivation among remote working employees as well, the management should encourage the leadership to be goal oriented, supportive, inspiring, encouraging, relationship oriented and creative when working with the teams under their supervision.

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