Transformational Leadership and Follower Wellbeing: Organizational Justice as a Mediator

Torsten J. Holstad
Thomas Rigotti
Kathleen Otto

Presentation at the 3rd IWP International Conference on Work, Wellbeing and Performance
Sheffield, June 27th 2012
Transformational leadership

- **individual consideration** – the leader treats each subordinate as an individual
- **intellectual stimulation** – the leader challenges his subordinates to take different perspectives at problems
- **inspirational motivation** – the leader sets challenging performance expectations and motivates his employees to contribute to the team goals beyond duty
- **idealized influence** – the leader inspires his subordinates by setting an example of superior morale
Links between transformational leadership and wellbeing

- Work characteristics (Nielsen et al, 2008)
- Mentoring (Sosik & Godshalk, 2000)
- Positive emotions (Bono & Ilies, 2006)

Transformational leadership

Wellbeing

Organizational Justice
Organizational justice as a mediator

Transformational leadership

Organizational Justice

Wellbeing
Organizational justice as a mediator

- Burns, 1978: Transformational leaders further values like justice and equality.
- Tyler & Lind, 1990: Concern for the benefit of the group as an important factor of procedural justice.
- Pillai et al, 2004: Transformational leaders affect perceptions of justice by promoting group solidarity and cohesion.
- Pillai et al, 1999: Procedural justice as a mediator between transformational leadership and organizational citizenship behaviour.
Organizational justice as a mediator

- Tepper, 2001
- Elovainio et al, 2001
- Elovainio et al, 2002
- Kivimäki et al, 2005
Transformational leadership and organizational justice at group level

- **Transformational leadership climate** = mean level of transformational leadership across all group members
  - Transformational leaders motivate their teams to stand together and strive for a collective goal
  - Transformational leadership has been demonstrated to be a group level phenomenon (Purvanova et al, 2006)

- **Organizational justice climate** = mean level of organizational justice across all group members
  - Team members tend to reflect on justice issues together (Roberson et al, 2006)
  - Organizational justice is also a group level phenomenon (Li et al, 2009)

Team level leadership evaluations and justice perceptions may explain additional variance in follower wellbeing
Hypotheses

H1: Organizational justice mediates the relation between transformational leadership and follower emotional exhaustion

H2: Organizational justice mediates the relation between transformational leadership and follower cognitive irritation

H3: Transformational leadership climate explains additional variance in follower wellbeing beyond individual level

H4: Organizational justice climate explains additional variance in follower wellbeing beyond individual level
Method

Sample:
- 2112 Participants from 296 teams in Germany, Finland and Sweden
- Multi-level data
- 79.3% female and 20.2% male
- mean age: 43.2 years

Measures:
1. Transformational leadership (Carless et al. 2000)
2. Organizational justice (Elovainio et al, 2010)
3. Emotional exhaustion (Maslach et al, 1996)
Results: Emotional exhaustion

Team level

Individual level

Control variables: Age, gender, country
Results: Cognitive Irritation

Team level

Individual level

Transformational leadership climate

Organizational Justice climate

Transformational leadership

Organizational Justice

Cognitive Irritation

Total effect: -0.25***
Direct effect: -0.12*

Control variables: Age, gender, country
Results: Overview

H1: Organizational justice mediates the relation between transformational leadership and follower emotional exhaustion

H2: Organizational justice mediates the relation between transformational leadership and follower cognitive irritation

H3: Transformational leadership climate explains additional variance in follower wellbeing beyond individual level

H4: Organizational justice climate explains additional variance in follower wellbeing beyond individual level
Discussion

• Perceptions of organizational justice seem to mediate the relation between transformational leadership and follower well-being on individual level

• Organizational justice
  – is not only a subjective perception of individuals but also a group level phenomenon
  – Organizational justice climate explains additional variance in follower well-being

• Transformational leadership
  – Group level phenomenon
  – But does not explain additional variance in follower wellbeing
  – Health-promoting aspects of transformational leadership on individual level (individual consideration)

Limitations:
• Cross-Sectional data!

Implications:
• Further evidence of the importance of fair treatment of followers
Thank you for your attention!

Contact: torsten.holstad@uni-leipzig.de