ORIGINAL SCIETNTIFIC PAPER

ASSESSMENT OF THE IMPORTANCE OF TRANSFORMATIONAL LEADERSHIP FACTORS IN THE CHANGE MANAGEMENT PROCESS

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ABSTRACT:

The objective of the article is to evaluate and define the importance of four transformational leadership factors important for the implementation of changes in enterprises. The transformational leadership factors analysed in this paper refer to inspirational motivation, idealized influence or charisma, intellectual stimulation, and individualized consideration. Using the new multicriteria decision-making method PIPRECIA, an assessment will be made and the importance of transformational leadership factors relevant to change management will be defined. By applying the PIPRECIA method, the weights of the criteria, which in this research represent the factors of transformational leadership, will be determined based on the answers of three executive managers from a Serbian company by filling out an interactive questionnaire. The findings indicate that factor C1 - Inspirational motivation (0.254) has the greatest importance for accepting and implementing changes. This factor is important from the aspect of reducing resistance to change among employees. This study suggests to management which factors of transformational leadership should be strengthened in order to achieve the acceptance and implementation of change by employees.

***Keywords**: transformational leadership factors, change management, PIPRECIA method.*

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INTRODUCTION

In modern business conditions, changes are becoming more frequent, conditioned by globalization, technological achievements, and growing competition. Changes are increasingly difficult to predict, and adapting, accepting, and overcoming resistance to changes are prerequisites for the survival of any company [1]. The absence of changes in an organization creates disruptions, leads to poor performance, and causes a company crisis. Therefore, the reasons for introducing changes are multiple: primarily as an organization's response to a changing environment, improving organizational performance, improving the efficiency of all processes, increasing employee performance, and increasing profitability.

The role of leaders and managers in the change management process is of crucial importance [1-4]. Leaders have the ability to lead organizational changes in order to create a flexible and efficient organization. The leadership approach in the process of change management requires the mobilization of knowledge and energy of all employees during and before the process in order to increase the success of responding to changes and minimize employee resistance to accepting changes [5]. Undoubtedly, one of the biggest problems that occurs in the process of introducing changes is employee resistance [5][6]. This problem is almost always present, regardless of time, organization, or person. Openness to something new and fear of the unknown are parts of human nature [6-8]. From the individual's point of view, the reasons for not accepting changes can be found in economic insecurity, established relations between employees, business process routines, and employees' values and motivational criteria. How leaders and managers will reduce resistance among employees is one of the key questions.

In the scientific literature, there are many scientific works that indicate the importance of transformational leadership for implementing changes in organizations [9-14]; however, there is a research gap when it comes to assessing the factors of transformational leadership, i.e., determining the individual importance of each factor in the change management process. For this reason, the main goal of the paper is to use the new multicriteria decision-making method PIPRECIA to evaluate and define the importance of transformational leadership factors important for the implementation of changes.

LITERATURE REVIEW

In today's business world, organizational changes are a constant challenge that organizations face every day in order to improve business performance and increase profitability [2].

Change management is a complex process and requires a proactive and systemic approach, coordinated efforts, and coordination of all activities [15]. Change management was defined by the authors Moran and Brightman (2001) as "the process of continuously renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers" [5]. Furthermore, changes are characteristic of small, medium, and large companies, regardless of their structure or size, but depend on the external circumstances to which companies must adapt. They can be structural, requiring changes in management, strategy, technology, hiring new people, knowledge, and abilities, or cultural, requiring the adaptation of employees to accept change. The process itself requires the engagement of many resources that can be used irrationally if the changes are not carried out in a planned and efficient manner. Adaptive changes imply organizational development that can affect the entire organization with a special focus on the culture and leadership of the organization. Changes can also be viewed from the aspect of their size, i.e., scope and impact, goal, type of change, as well as dynamics or speed of development. Regarding the process of change, one of the most represented approaches in the literature is the approach of the author Kurt Lewin (1947), according to which there are three phases: the unfreezing phase, the intervention phase, and the freezing phase. According to Lewin, the success of change depends on the unfreezing stage [16].

The results of some studies indicate that the transformational style has the greatest influence on company performance [10] [17-20]. In this regard, the transformational leadership style has a positive effect on the process of organizational change. This leadership style is characterized by the fact that the leader coordinates with employees, shares knowledge, and provides the opportunity to make decisions at the organizational level [5]. Authors Jyoti and Dev (2015) believe that in the process of change management, the transformational leader conveys the vision, encourages creativity, raises awareness, and develops an emotional connection with followers in order to achieve high goals [14]. In organizations,

transformational leaders encourage creative thinking and innovative behavior among employees [9] [18-23]. According to the author Bass (1999), leaders inspire followers to embrace change through four factors of transformational leadership [24]. Transformational leadership factors represent the criteria that will be analyzed in this paper and refer to inspirational motivation, idealized influence or charisma, intellectual stimulation, and individualized consideration [25] (p. 125):

Inspirational motivation

This factor characterizes leaders who set high expectations for followers, inspiring their motivation to become committed. It involves using symbols to focus efforts and express clear goals in a simple way. Transformational leaders inspire and motivate employees to embrace the vision and follow them in its realization. They help followers create a clear picture of the future and understand the necessity of accepting changes.

Idealized influence or charisma

According to Bass, charisma is a necessary element of a transformational leader, but charisma alone is not sufficient to lead to a transformational process. Charisma allows followers to identify with a leader who has a realistic and achievable mission and vision for change. Transformational leaders establish themselves as role models for their followers. Such leaders have high standards of moral and ethical behavior and provide followers with a vision. Followers respect them and have a high degree of trust and respect for them. Because they enjoy the admiration, respect, and trust of followers, followers not only identify with such leaders but also want to emulate them.

Intellectual stimulation

Through intellectual stimulation, transformational leaders encourage followers to be creative and innovative. They also encourage followers to develop and acquire knowledge, as well as to share information and knowledge with each other. Transformational leaders help followers look at problems from a different perspective and approach problem-solving using different, modern methods.

Individualized consideration

This factor represents a leader who provides support to followers. Leaders pay special attention to the individual needs of followers and their development. Leaders act as coaches and advisors as they try to help followers achieve goals and reach their full potential. This factor contributes to making followers feel needed and important in the organization. In such an atmosphere, followers will contribute much more than is expected of them.

Since employee resistance to change is a normal phenomenon, the basic question that arises is: Which of these factors has the greatest importance for the acceptance and implementation of changes by employees?

METHODOLOGY

In order to achieve the goal of this paper, using the new multicriteria decision-making method PIPRECIA, an assessment will be made and the significance of transformational leadership factors important for change management will be defined. By applying the PIPRECIA method, the weights of the criteria, which in this research represent the transformational leadership factors, will be determined based on the answers of three executive managers from a Serbian company by filling out an interactive questionnaire.

The PIvot Pairwise Relative Criteria Importance Assessment (PIPRECIA) method is a relatively new multicriteria decision-making method (MCDM) developed by researchers Stanujkić et al. (2017) [25]. The main purpose of this method is to determine the importance (weight) of the evaluation criteria. Furthermore, this method is suitable for collecting information or answers from respondents based on interactive questionnaires in order to determine the weights of the criteria and can be applied in a group decision-making environment [26].

The calculation procedure of the mentioned method is presented through the following steps [25], [27]:

Step 1. Selection of criteria to be included in the evaluation process.

Step 2. Determination of the relative importance of sj, starting from the second criterion, as follows:

$$s_j = \begin{Bmatrix} > 1 \; if & C_j > & C_{j-1} \\ 1 \quad if & C_j = & C_{j-1} \\ < 1 \; if & C_j < & C_{j-1} \end{Bmatrix} \quad (1)$$

Step 3. Determination of the kj coefficient as follows:

$$k_j = \begin{Bmatrix} 1 & if\ j = 1 \\ 2 - s_j & if\ \ j > 1 \end{Bmatrix} \quad (2)$$

Step 4. Determination of the converted value of qj, as follows:

$$q_j = \begin{Bmatrix} 1 & if\ \ j = 1 \\ \dfrac{q_j - 1}{k_j} & if\ \ j > 1 \end{Bmatrix} \quad (3)$$

Step 5. Determination of the relative weights of the considered criteria as follows:

$$w_j = \frac{q_j}{\sum_{k=1}^{n} q_k} \quad (4)$$

where wj denotes the relative weight of criterion j.

Bearing in mind that a larger number of decision-makers will be involved in the decision-making process, the obtained weights represent the attitude of the group, which in this research consists of R decision-makers and can be presented as follows:

$$w_j^* = \left[\prod_{r=1}^{R} w_j^r \right]^{\frac{1}{R}} \quad (5)$$

$$w_j = \frac{w_j^*}{\sum_{j=1}^{n} w_j^*} \quad (6)$$

where wj represents the geometric mean of the criterion weights obtained from the respondents.

RESULTS AND DISCUSSION

The survey of executive managers from a Serbian company was conducted electronically by filling out an interactive questionnaire in March 2023. Managers were asked: Which of the factors has the greatest importance for the acceptance and implementation of changes by employees? Answers were offered with an explanation of each of the mentioned factors.

Based on the theoretical background, four factors of transformational leadership were analyzed that represent evaluation criteria [24]:

- Inspirational motivation (C_1);
- Idealized influence or charisma (C_2);
- Intellectual stimulation (C_3);
- Individualized consideration (C_4)

Applying formulas (1)-(4), the relative weights of the criteria were obtained based on the answers of each manager.

Table 1. The weights of criteria obtained from the first manager

	s_j	k_j	q_j	w_j
C_1		1	1	0.27
C_2	0.7	1.3	0.77	0.21
C_3	1.2	0.8	0.96	0.26
C_4	1	1	0.96	0.26
SUM			3.69	1

Source: own study

Table 2. The weights of criteria obtained from the second manager

	s_j	k_j	q_j	w_j
C_1		1	1	0.24
C_2	1.1	0.9	1.11	0.27
C_3	0.9	1.1	1.01	0.24
C_4	1	1	1.01	0.24
SUM			4.13	1

Source: own study

Table 3. The weights of criteria obtained from the third manager

	s_j	k_j	q_j	w_j
C_1		1	1	0.26
C_2	1	1	1.00	0.26
C_3	0.9	1.1	0.91	0.23
C_4	1.1	0.9	1.01	0.26
SUM			3.92	1

Source: own study

By applying the PIPRECIA method, transformational leadership factors were evaluated based on the managers' responses, on the basis of which the relative weights of the criteria were obtained. The weights of the criteria based on the responses of all managers who participated in the research are shown in Table 4.

Table 4. The weights obtained from all managers included in the evaluation

	C_1	C_2	C_3	C_4
R_1	0.27	0.21	0.26	0.26
R_2	0.24	0.27	0.24	0.24
R_3	0.26	0.26	0.23	0.26
SUM	0.77	0.74	0.76	0.76

Source: own study

By applying formulas (5) and (6), the group weights of the criteria for evaluating transformational leadership factors were obtained, and then their ranking was performed.

Table 5. The group weights of the criteria for evaluating the factors of transformational leadership

	w_j*	w_j	Rank
C_1	0.257	0.254	1
C_2	0.247	0.244	3
C_3	0.253	0.251	2
C_4	0.253	0.251	2
SUM	1.010	1.000	

Source: own study

From Table 5, it can be seen that factor C_1 - Inspirational motivation (0.254) has the greatest importance for the acceptance and implementation of changes among employees. This factor is important from the aspect of reducing resistance to change. Changes require great effort and synchronized activities of managers. Incorporating positive change into all aspects of the system and into the organizational culture is a very complex and particularly demanding process for managers.

Factor C_2 - Idealized influence (0.244) was identified as the least significant factor. Factors Intellectual stimulation (C_3) and Individualized consideration (C_4) have the same rank, which means that they have the same importance for decision-makers.

Research conducted by Faupel and Süß (2019) indicates that transformational leadership increases work engagement among employees, affects employees' perception of the positive outcomes of changes, and thus influences employee behavior. These authors believe that transformational leaders influence the motivational mechanisms of employees to accept and support changes, which corresponds to the findings of our research [28].

Researchers Yue et al. (2019) conducted a study that examined the effect of transformational leadership and transparent communication on a sample of 439 employees in the USA. The findings of this study indicate that transformational leadership and transparent communication were positively related to employee trust, which had a positive effect on employees' openness to change [13].

CONCLUSION

In order to evaluate the factors of transformational leadership that influence the process of change management, the multi-criteria decision-making method PIvot Pairwise RElative Criteria Importance Assessment—fuzzy PIPRECIA was applied. The weights of the criteria, which in this research represent the transformational leadership factors, as well as their ranking, were determined using this method based on the responses of executive managers who were examined electronically using an interactive questionnaire. The results of the application of this method indicate that the key factor for the acceptance and implementation of changes by employees is C_1 - Inspirational motivation.

This study contributes to the existing literature on transformational leadership and particularly provides a perspective on the individual importance of transformational leadership factors. Additionally, the contribution of this work is reflected in providing the opportunity to apply the PIPRECIA method in practice for leaders and managers in order to work effectively.

The results of the research provide significant information to managers on how to manage change more effectively. Furthermore, this study suggests to management which factors of transformational leadership should be strengthened in order to achieve the acceptance and implementation of change by employees.

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