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Idealized Influence and Inspirational Motivation in a Microfinance Context: Review of Literature

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ABSTRACT

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Besides the enormous attention paid to transformational leadership construct for the last four decades, much of the literature does not adequately delve deeper into the respective dimensions of the construct, thus limiting the clarity of how the dimensions impact organizations. This paper reviews the extant conceptual, theoretical, and empirical literature on the idealized influence and inspirational motivation dimensions of transformational leadership style focusing on microfinance context. This paper presents a comprehensive and integrative theoretical framework for knowledge advancement in the field of leadership. The methodology used for the review integrates the desktop and critical analysis of 56 journal articles in these dimensions. The key databases used to extract the relevant literature were JSTOR, Emerald, Google Scholar, DOAJ, and Wiley Interscience, with 69.09% being articles published in 2017 – 2021. Aspects used to qualify articles for review consideration were transformational leadership, idealized influence, inspirational motivation, and leadership in microfinance or any combination. The emerging gaps in the theorization and conceptualization of idealized influence and inspirational motivation were identified, presenting a case for further research on the transformational leadership construct. The review establishes that the four “Is” of transformational leadership (Idealized influence, Inspirational motivation, Intellectual stimulation, and Individualized consideration) are ambiguously interrelated, presenting a challenge of incoherence in the conceptual models used by researchers to conduct empirical research. The study also seeks to fill the contextual gap on the scanty research done to date on the outcomes of idealized influence and inspirational motivation in microfinance context such as staff retention, organizational commitment, self-efficacy, and organizational performance. A comprehensive conceptual framework for guiding further research on the constructs is formulated, including supportive propositions that can be empirically tested.

Progressive growth of organizations in today's volatile, uncertain, complex, and ambiguous (VUCA) world is challenged by disruptions such as the Covid-19 pandemic necessitating a leadership style that is adaptive and resilient to change (Hughes, Beatty, & Dinwoodle, 2014). Afshari (2021), as well as Lussier and Achua (2010) perceive transformational leadership as the most effective leadership style for realizing desired change in organizations, as opposed to transactional leadership, which advocates for the status quo (Bass & Riggio, 2006) and laissez-faire (non-leadership). However, Judge and Piccolo (2004) and Odumeru and Ifeanyi (2013) argue that the best leaders use transformational and transactional leadership styles as different situations dictate.

Transformational leadership style has gained profound attention by researchers for over four decades since its first conceptualization by James Burns in 1978 in the political context and further contribution by Bernard Bass in 1985 in the organizational context (Bass & Riggio, 2006). To date, numerous studies have been conducted focusing on both conceptual and theoretical reviews and empirical studies. However, there still exists contentious aspects that need further research for advancement of knowledge in the field of leadership, such as the ambiguous interrelatedness of the "four I's" of transformational leadership, the clarity of how the "four I's" achieve their defined roles, and more comprehensive description of their deployment in expanded organizational contexts.

The discourse on the conceptualization of the transformational leadership (TL) style construct has led to the modification of the initial dimensions dubbed "four I's" namely idealized influence, inspirational motivation, intellectual stimulation, and individual consideration, to include other dimensions such as risk acceptance among others (Lashari & Rana, 2018). Further, the idealized influence has been perceived from two sub-dimensions, namely idealized influence attributed (II_a), which is linked with charisma and idealized influence behaviour (II_b), which is linked with role-modeling (Brown, Chen, & O'Donnell, 2017). The TL style dimensions are theoretically designed to achieve distinctive roles in the resultant organizational outcomes such as staff retention, organizational commitment, self-efficacy, innovation and creativity, performance, *inter alia*, but Odumeru and Ifeanyi (2013) posit that the theory does not explicitly outline how the dimensions play those roles. Furthermore, other authors such as Eva et al. (2019) criticize transformational leadership for the ulterior motive of empowering followers for the sole purpose of using the followers to achieve organizational goals. This implies that the leaders are seen to use followers as a means to an end than followers' needs purely, thus contravening the intended morality of transformational leadership. Consequently, the transformational leadership style is considered to be a double-sided construct, with both bright and dark sides. However, the conceptualization does not reveal the dark sides or instances in which the construct results in negative phenomena such as employees' stress and burnout (Parveen & Adeinat, 2019). This paper is delimited to idealized influence and inspirational motivation dimensions of transformational leadership style for in-depth, comprehensive coverage.

Statement of the Problem

The extant literature review presents a plethora of gaps that need to be addressed to enhance understanding of the transformational leadership construct and its dimensions in particular.

Conceptually, idealized influence has been perceived as charismatic by some scholars such as Judge and Bono (2000), while others perceive the two as distinct such as Bass and Riggio (2006) who argue that a leader can be transformational without being charismatic. Therefore, there is no clarity on the relationship between the idealized influence component of transformational leadership and charismatic leadership. Additionally, while some researchers have maintained the initial consideration of idealized influence as a unidimensional construct, others consider it as bi-dimensional comprising attributed and behavior components (Brown, Chen, & O'Donnell, 2017). This inhibits the derivation of conclusive results from research work, thus arousing the need for a unified and holistic conceptual model to guide future empirical research.

Secondly, the transformational leadership theory is accused of not specifying how idealized influence and inspirational motivation achieve the outcomes they are purported to achieve such as role modeling and greater performance, respectively (Odumeru & Ifeanyi, 2013). The attribution theory informs that followers seek clues to understand the intentions of leaders' behaviors (Schuh, Zhang, & Tian, 2013), which are not enshrined in the transformational leadership theory. This theoretical gap limits understanding of how practitioners and scholars optimize the constructs' deployment in organizations.

Contextual gaps are identified in the deployment of idealized influence and inspirational motivation. Much of the extant research have focused on certain contexts such as mainstream banking (Mekpor & Dartey-Baah, 2020), educational sector (Mwesigwa, Tusiime, & Ssekiziyivu, 2020), and health sector (Al-Yami, Galdas, & Watson, 2018) *inter alia*. Very little attention has been paid to the microfinance context, which is globally, regionally, and locally acknowledged as very significant economically for reaching out to the low-income population (Rasel & Win, 2020).

This study is guided by four objectives: To review extant conceptual literature on idealized influence and inspirational motivation in the microfinance context, review extant theoretical literature on the constructs, review the extant empirical literature on the constructs, and propose a holistic and integrative conceptual framework for future research on the constructs in the context of microfinance. The paper is significant to organizational leaders in the deployment of idealized influence and inspirational motivation in their organizations for the desired outcomes and scholars and researchers advancing research in leadership.

The Literature Review Methodology

A systematic desktop review of the relevant journal articles was conducted by searching for the key constructs such as transformational leadership, idealized influence, inspirational motivation, and leadership in microfinance. Only journals that are relevant to these search terms were included. Similar to the current study, this approach was successfully used by Eva et al. (2019) in their literature review. The commonly searched journals were JSTOR, Emerald, Google Scholar, DOAJ, and Wiley Interscience with the aid of the publish or perish software among others. The sufficiency recommendation by Saunders, Lewis, and Thornhill (2007) was adhered to so that reading was done up to the point where further reading, including the references from initial search results, pointed to the already read references.

Critical review was used to scrutinize and elicit any gaps based on the methodology, conceptualization, theories, and contexts used while appraising the strengths of the studies considered. The focus was paid on recent publications, especially the previous five years and

the classical sources in transformational leadership, particularly idealized influence and inspirational motivation (Figure 1).

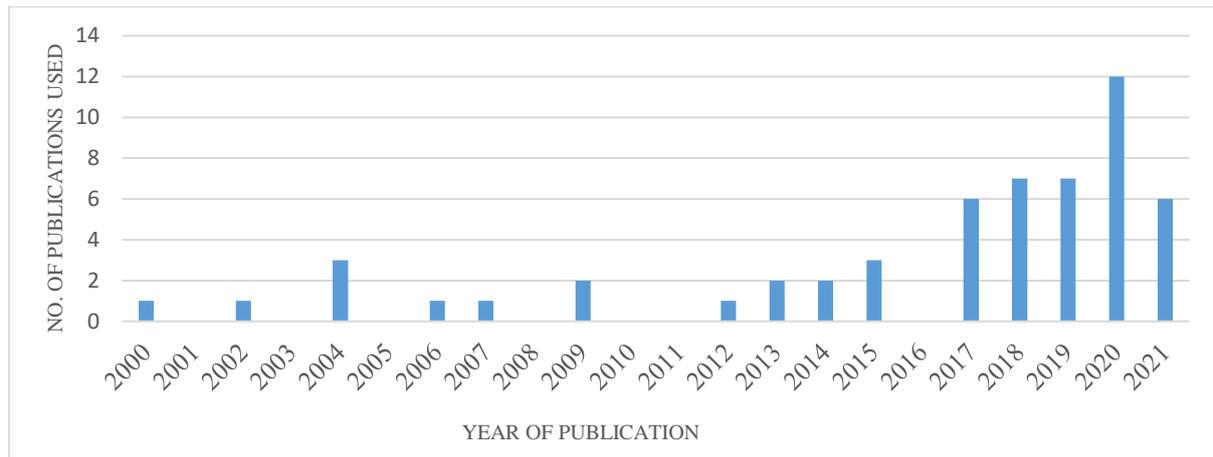


Figure 1. Idealized influence and inspirational motivation publications

The relevant articles to this study were analysed as illustrated in Table 1, 2, and 3 to guide the formulation of a holistic and integrative conceptual framework for future empirical research. The articles are categorized based on the aspects discussed by its authors, emerging indicators for the key constructs, results, and discussions arising from the articles.

Table 1

Dimension and its Emerging Indicators

Aspects	Emerging indicators	Authors	Discussion
Idealized influence: Attributed (II _a) and behaviour (II _b)	Charisma	Alzoraiki et al. (2018); Okoli et al. (2021); Brown et al. (2017); Afshari (2021); Judge & Bono (2000)	<ul style="list-style-type: none"> Described in terms of socialized, behavioural, and ethical charisma
	Emotional attachment	Bass and Riggio (2006); Afshari and Gibson (2015)	<ul style="list-style-type: none"> Identified as identity/affection with the organization
	Change	Okoli et al. (2021), Mgqibi & Sines (2020); Mwesigwa et al. (2020)	<ul style="list-style-type: none"> Brings growth than status quo Change in values, belief, and attitudes
	Risk-taking	Okoli et al. (2021); Lashari & Rana (2018)	<ul style="list-style-type: none"> Risk acceptance added as a dimension with minimal studies on it
	Behavioural integrity	Kitur et al. (2020)	<ul style="list-style-type: none"> Results to trust and respect
	Role modelling	Al-Yami et al. (2018); Brown et al. (2017); Kitur et al. (2020); Kariuki (2020)	<ul style="list-style-type: none"> Leaders depicted as admirable and role models
	Perceived behaviour	Brown et al. (2017); Mgqibi & Sines (2020); Schuh et al. (2013)	<ul style="list-style-type: none"> Leader perception from followers Behaviour that facilitates creativity Attribution theory explains behaviour
Inspirational Motivation	Clear vision articulation	Okoli et al. (2021), Olesia et al. (2015)	<ul style="list-style-type: none"> Communicating the envisioned better future Visioning
	Enthusiasm	Okoli et al. (2021); Edirisooriya (2020);	<ul style="list-style-type: none"> Followers are inspired and energized by the leader's vision
	Optimism	Le and Le (2021); Hasija et al. (2019)	<ul style="list-style-type: none"> Conceptualized as high expectations, positive perception of challenges
	Challenging tasks	Alzoraiki et al. (2018); Okoli et al. (2021)	<ul style="list-style-type: none"> Leaders give staff challenging tasks and motivate them to achieve the tasks
	Esprit de corps	Edirisooriya (2020); Okoli et al. (2021); Magasi (2021)	<ul style="list-style-type: none"> Change from self to collective interests
Transformational leadership	Combined dimensions	Ding & Lin (2020); Odumeru & Ifeanyi (2013); Thuan (2020)	<ul style="list-style-type: none"> Considers individualized consideration and intellectual stimulation Ambiguous conceptualization of the Is Single dimension investigation (IS)
	Leadership styles	Ene (2020); Mugizi et al. (2019)	<ul style="list-style-type: none"> Focus more on transactional leadership for staff retention
	Ethical aspect of leadership	Eva et al. (2019)	<ul style="list-style-type: none"> Servant leadership is seen as more ethical
	Outcomes	Felfe et al. (2004); Islam et al. (2018); Lyria et al. (2017); Muthimi & Kilika (2018); Mwita et al. (2018); Ogola et al. (2017); Padilla et al. (2007); Parveen & Adeinat (2019)	<ul style="list-style-type: none"> Organizational commitment; Talent retention; Employee retention; Organizational performance; employee performance; negative outcomes, e.g., burnout and stress
	Full Range of Leadership (FRL)	Judge & Piccolo (2004); Mekpor & Dartey-Baah (2020)	<ul style="list-style-type: none"> Recommends use of both transformational and transactional Organizational Citizenship Behaviour (OCB)
	Theory development	Kimani & Kilika (2019)	<ul style="list-style-type: none"> Focus on organizational outcomes such as CSR

Table 2

Dimension and its Emerging Phenomena when Deployed in Organizations

Aspects	Emerging phenomena	Authors	Discussion
Idealized Influence (II): Attributed (II _a) and behaviour (II _b)	Organizational performance	Kitur et al. (2020); Mgqibi & Sines (2020); Tuffour et al. (2015)	<ul style="list-style-type: none"> Achieved through increased creativity
	Organizational commitment	Afshari (2021); Afshari & Gibson (2015); Ahmed & Nawaz (2015); Avolio et al. (2004); Wulani et al. (2019)	<ul style="list-style-type: none"> Achieved through <ul style="list-style-type: none"> Emotional connection Moral connection to organization's values
	Self-efficacy	Hoxha & Hyseni-Duraku (2017);	<ul style="list-style-type: none"> Leaders raise followers' self-efficacy; Followers preconceive success
	Staff retention	Judeh & Abou-Moghli (2019); Nyasunda & Atambo (2020); Ashta & Fall (2012)	<ul style="list-style-type: none"> Staff retention associated with: Reward management, Transformational leadership
Inspirational Motivation (IM)	Organizational performance	Gyansah et al. (2020); Top et al. (2020); Le and Le (2021); Angus-Leppan et al. (2009)	<ul style="list-style-type: none"> Achieved through <ul style="list-style-type: none"> Organizational values internalization. Performance conceptualized in terms of financial performance, CSR, employee and staff satisfaction, etc.
	Organizational commitment	Okoli et al. (2021)	<ul style="list-style-type: none"> Achieved through a change of attitude to collective interests
	Self-efficacy	Top et al. (2020);	<ul style="list-style-type: none"> Social/verbal persuasion Through high-performance expectation
	Staff retention	Edirisooriya, 2020; Bass & Riggio (2006); Judeh & Abou-Moghli (2019); Ashta & Fall (2012)	<ul style="list-style-type: none"> Achieved through <ul style="list-style-type: none"> Excitement, Intention to stay

Table 3

The Microfinance Context

Key Aspects	Authors	Discussion
Leadership; Management; Governance	Ahmed (2009); Rasel & Win (2020)	<ul style="list-style-type: none"> Authors posit that the sustainability of MFIs is influenced by leadership Management and governance conceptualized here as part of leadership
Transformational leadership	Gathondu et al. (2018); Kariuki & Wachira (2017); Muriuki & Ombaba (2018)	<ul style="list-style-type: none"> MFI outcomes: Staff satisfaction, organizational performance, staff retention
Employee participation	Kiptoo et al. (2021)	<ul style="list-style-type: none"> Employee motivation
Economic development	Kumar & Divya (2021)	<ul style="list-style-type: none"> Poverty alleviation
Profitability	Meyer & Nagarajan (2006)	<ul style="list-style-type: none"> Aspects of sustainability of MFIs
Financial resilience	Ullah & Khan (2017)	<ul style="list-style-type: none"> Income smoothing for the poor

Extant Conceptual Literature Review

The extant conceptual literature on idealized influence and inspirational motivation dimensions of transformational leadership was investigated to establish the state of understanding of the constructs and the emerging phenomena arising from the deployment of the constructs in organizations.

Transformational Leadership Style

Transformational leadership has been defined as a leadership style in which a leader identifies required change, formulates a way to enact that change, and implements the change (Okoli et

al., 2021). The change is often perceived in terms of increased performance beyond the followers' initial expectations (Mwesigwa et al., 2020) as well as mutually transforming both the leader and follower morally (Bass & Riggio, 2006). This is important in ensuring continuous improvement and growth in organizations because the increased modern competitiveness can easily phase out organizations out of business. Although this leadership style was anchored in a political context when James Burns formulated it in 1978, Bernard Bass extended it to organizational context in 1985 (Lussier & Achua, 2010).

For over four decades, researchers have considered transformational leadership as the most effective leadership style for enacting positive change in organizations. Four key dimensions of this leadership style ("four I's") have been discretely and jointly researched on, namely idealized influence (II), inspirational motivation (IM), intellectual stimulation (IS), and individual consideration (IC). While extant literature presents rich knowledge on the "four I's", there still exists ambiguity on how the dimensions achieve the individual roles they claim to achieve. For instance, Odumeru and Ifeanyi (2013) assert that the dimensions are overloaded with a description of what they should do but not how they do so. Therefore, this study is delimited to two dimensions for in-depth and holistic coverage: idealized influence and inspirational motivation.

Idealized Influence (II)

According to Okoli et al. (2021), idealized influence is the charismatic aspect of transformational leadership, which means inspiring a vision for the future while embracing behaviour that makes them respectable. A leader can articulate a compelling vision and inculcate pride, trust, and esteem in followers (Le & Le, 2021). Bass and Riggio (2006) aver that followers develop an emotional attachment and strong identity with the leaders when such leaders exhibit behavioural integrity by ensuring that their deeds and espoused values rhyme. Additionally, leaders' strong in idealized influence are more consistent in ethical and moral behaviours than being spontaneous (Okoli et al., 2021). These attributes make such leaders worthy role models to the followers who admire and trust them (Kitur, Choge, & Tanui, 2020). It follows that the influence by such leaders is a result of both their behaviour and the perceived behaviour, i.e., their followers' perception of their behaviours.

Idealized influence leaders are depicted as risk-takers and enthusiasts (Okoli et al., 2021). This explains their ability to envision, plan, and implement change in organizations because they are not afraid of change. Their enthusiasm also inspires their followers to be hopeful of a better future, thus embracing change instead of the status quo. The risk-taking trait empowers the leaders to navigate turbulent times and develop the organization's resilience needed for the organization's survival.

Researchers have recently reconceptualised idealized influence into two sub-dimensions, namely idealized influence attributed (II_a) and idealized influence behaviour (II_b) (Brown et al., 2017). The two sub-dimensions play distinct roles. Idealized influence attributed (II_a) explains the actual charisma, where the leader is seen as possessing supernatural traits, while idealized influence behaviour (II_b) explains the role-modeling ability of the leader. According to Afshari (2021), idealized influence attributes refer to the perception of a leader by the followers, while idealized influence behaviour refers to what the leader essentially does. This granular consideration suggests that these two sub-dimensions are succinct in the role each plays.

Recently, empirical studies have been conducted to investigate the relationship between idealized influence and organizational outcomes. For instance, Mngqibi and Sines (2020) sought to establish the relationship between idealized influence and the success of change initiatives in the US context. The authors adopted a correlational design and used simple linear regression for data analysis, revealing a direct and positive relationship between the two variables. Locally, Kitur, Choge, and Tanui (2020) studied the relationship between idealized influence and secondary school students' performance. The descriptive study revealed a positive and significant relationship between idealized influence and performance.

Inspirational Motivation (IM)

Inspirational motivation is the ability of a leader to articulate a compelling vision of a better future for an organization so that the followers shift from self-interests to organization's collective interests (Edirisooriya, 2020). This arouses excitement by followers to willingly detest the status quo and pursue the envisioned better future enthusiastically. Furthermore, the leader creates group spirit in the followers to focus on collective interests, as alluded to by Okoli et al. (2021). However, this contradicts the premise of the individualized consideration dimension of a transformational leader, which requires the leader to focus on individual's interests and needs (Magasi, 2021). Therefore, it can be deduced that the leader strives to satisfy the needs of the followers to enable the followers to achieve more collective gains for the organization. However, Eva et al. (2019) criticize this as unethical where the leader uses followers as means to an intended end. From this perspective, the leader would be faulted for not being altruistic but ego-centric.

In the modern volatile, uncertain, complex, and ambiguous (VUCA) organizational environments, inspirational motivation is helpful in empowering followers to cope with the emerging challenges and work pressures by perceiving challenges as opportunities asserted by Hasija, Hyde, and Kushwaha (2019). Consequently, the followers become more resilient and tenacious in turbulent times, resulting in positive organizational outcomes such as talented staff retention, increased self-efficacy, normative organizational commitment, increased performance, etc.

Empirically, inspirational motivation has been established to impact organizations positively. The study by Gyansah, Ogola, and Guantai (2020) found a significantly positive correlation between inspirational motivation and students' academic achievement in public schools in Kumasi Metropolitan, Ghana. A correlational study by Hasija et al. (2019) sought to establish the effect of inspirational motivation on employee engagement, yielding a positively strong correlation. Top, Abdullah, and Faraj (2020) found the inspirational motivation to have the strongest correlation with employees' performance compared with the other dimensions of transformational leadership. This presents the potentially cosmic impact that inspirational motivation can have when deployed in the microfinance context, among other contexts.

Emerging Conceptual Gaps

A number of conceptual gaps are drawn from how idealized influence and inspirational motivation dimensions are currently conceptualized. Firstly, the description of idealized influence as charismatic leadership undermines the moral and ethical standards expected, considering that charismatic leadership can be ethical or unethical, moral or immoral (Bass &

Riggio, 2006), while transformational leadership at large is expected to be purely moral and ethical. Deducing from Northouse (2016), the intent of transformational leadership, through idealized influence and inspirational motivation, is to raise the morality and motivation of both the leader and follower. This distinguishes transformational leaders from pseudo-transformational counterparts who transform their followers for self-aggrandizing interests.

Secondly, there is an overlap between the functions of idealized influence behaviour (II_b) aspect of idealized influence and the individualized consideration dimension in relation to mentorship and role-modeling. This is in line with the observation by Odumeru and Ifeanyi (2013) that there is an ambiguous interrelation among the transformational leadership dimensions, exhibiting a challenge to researchers conducting empirical research on how to conceptualize the model uniformly. Thus, there is a need for more clarity on the distinct roles of each dimension separate from other dimensions for more conclusive findings from research. Thirdly, while inspirational motivation endeavours to shift focus from the followers' interests to the collective interests of the organization (Edirisooriya, 2020), individualized consideration pays attention to the individual followers' interests (Magasi, 2021). This conceptualization depicts a phenomenon where these two dimensions of transformational leadership pull in opposing directions. However, the fulfilment of followers' individual needs may sequentially motivate them to achieve collective interests. It is desirable that the dimensions are theorized in a manner that they coherently reinforce each other for the greater impact of transformational leadership when deployed in organizations.

Organizational outcomes

Talented Staff Retention

Staff retention is the strategy used by organizations to encourage their employees to remain working in those organizations for the longest period of time possible (Mwita, Mwakasangula, & Tefurukwa, 2018). In this regard, inspirational motivation raises employees' excitement to be happy to continue working with the organization and even perform better (Bass & Riggio, 2006; Edirisooriya, 2020). Although some researchers such as Nyasunda and Atambo (2020) have confirmed the direct relationship between reward management and staff retention in microfinance, Judeh and Abou-Moghli (2019) found transformational leadership to impact staff retention significantly. Through the mediation of organizational commitment in the next section, both the idealized influence and inspirational motivation glue employees to the organization they work for. Islam, Tariq, and Usman (2018) similarly observed that employee retention is raised by the employees' organizational commitment, which is increased by transformational leadership.

Organizational Commitment

Organizational commitment is the bond that makes followers identify and be involved with an organization (Wulani, Supriharyanti, & Agustian, 2019). Extant literature presents three organizational commitment dimensions: affective commitment, continuance commitment, and normative commitment (Felfe, Tartler, & Liepmann, 2004). Affective commitment is the emotional attachment of an individual to the organization. Normative commitment is the feeling of moral obligation to the norms and values of the organization, while continuance commitment

is the attachment of an employee to an organization due to the accruing benefits that the employee would not want to lose (Olesia, Namusonge, & Iravo, 2015).

Similar to Afshari's (2021) opinion, idealized influence attributes make the followers positively affect the organization, thus abiding more to its values and objectives. When the followers are emotionally connected to the organization, they are more likely to work out of their own volition than coercion, forming affective commitment. Additionally, the followers possess normative commitment when they feel morally obliged to stick to the organization (Ahmed & Nawaz, 2015). Although researchers often associate continuance commitment with monetary benefits like salary and retirement benefits (Olesia, Namusonge, & Iravo, 2015), other benefits such as social ties with long-term workmates could be considered important.

Inspirational motivation enables a leader to inspire and motivate followers to rise beyond self-aggrandizing interests to collective organizational interests by raising group spirit (Okoli et al., 2021). Through internalization, followers adopt the values and regulations of the organization and enact them with self-determination (Afshari, 2021), hence becoming more committed to the organization's success.

Self-efficacy

Idealized influence has been associated with the mechanism upon which followers admire being like their leaders through vicarious learning (Bandura, 1997). Bandura (ibid) defines self-efficacy as the belief in one's capability of performing given tasks. Jallow (2014) notes that highly self-efficacious followers develop the ability to optimistically perceiving challenges as opportunities than problems. This is important in empowering the followers to be more resilient even in organization's turbulent times hence its survival. Empirically, Hoxha and Hyseni-Duraku (2017) found a strong positive correlation between idealized influence and self-efficacy, indicating that leaders with strong idealized influence raise the self-efficacy of their followers.

Inspirational motivation is used by leaders through social persuasion to raise followers' belief that they can perform better (Bandura, 1997). When leaders inspire followers to envision a better future and performance, it becomes a self-fulfilling prophecy and ends up achieving their expected performance. Top, Abdullah, and Faraj (2020) ascertain that inspirational motivation strongly correlates with high performance, partially attributed to this high-performance expectation by the highly efficacious followers.

Organizational Performance

Building upon the current state of understanding of transformational leadership and its dimensions in the literature, the organizational performance presents itself as an ultimate outcome rather than an immediate outcome, resulting from the preceding immediate outcomes above: Talented staff retention, organizational commitment, and self-efficacy. Mgqibi and Sines (2020) allude to the fact that leaders who possess idealized influence behaviour empower their followers to be more creative and devise different ways of achieving organizational goals, thus boosting the organization's performance. By creating excitement and inspiration in followers, inspirational motivation causes the followers to perform beyond their initial expectations (Bass & Riggio, 2006). Le and Le (2021) postulate that leaders with great

inspirational motivation share high expectations with their followers in simplified ways, enabling them to strive for greater performance.

The current conceptualization of organizational performance extends beyond financial and operational performance to encompass aspects like corporate social responsibility (CSR) (Angus-Leppan, Metcalf, & Benn, 2009; Tuffour, Barnor, & Akuffo, 2015). The business case presented by CSR to organizations calls for a workforce whose motivation spans beyond self-centered benefits to others-centered benefits as targeted by inspirational motivation.

Microfinance Construct

The microfinance construct, developed by Yunus Muhammad in 1970s, is globally acknowledged as an effective approach to poverty alleviation by promoting financial services access to the low-income earners ordinarily unable to access the mainstream bank financial services (Meyer & Nagarajan, 2006; Ullah & Khan, 2017). Kumar and Divya (2021) describe microfinance as the “bank for the poor” (p. 49) and thus a solution to the underprivileged poor and unemployed members of society. However, a contrary view of microfinance departing from the initial goal of reaching out to the poor has been raised by researchers such as Meyer and Nagarajan (2006) and Ahmed (2009), who argue that microfinance institutions also focus on their profitability. Integrating these two views, the success of microfinance can be assessed through two criteria, namely the outreach to the poor and the profitability and sustainability of the institution.

As alluded by Ahmed (2009), leadership deployed in microfinance institutions influences how such institutions are operated. Ashta and Fall (2012) add that good governance is pivotal in the sustainability of the institutions. Empirical studies have confirmed a positive correlation between transformational leadership and desired organizational outcomes in the microfinance sector (Gathondu, Nyambegera, & Kirubi, 2018; Kariuki & Wachira, 2017; Tuffour, Barnor, & Akuffo, 2015). Employee motivation is one of the variables identified by Kiptoo, Naibei, and Cheruiyot (2021) as influential in increasing microfinance performance, thus the need to deploy inspirational motivation and idealized influence in microfinance to achieve and sustain such motivation.

Review of Relevant Theories

Transformational Leadership Theory

Transformational leadership theory, formulated by Burns in 1978 in the political context for leaders to influence their followers and extended to organizational context by Bass in 1985, postulates that a leader can motivate followers to change their belief system, values, and attitudes in order to perform better than they thought possible (Mwesigwa et al. 2020). Furthermore, the charisma possessed by idealized influence leaders builds trust between themselves and their followers (Le & Le, 2021), creating an enabling environment through which the followers willingly carry out their assigned responsibilities without coercion.

Among other researchers, Mugizi et al. (2019) utilized this theory in investigating the relationship between leadership style and teachers’ retention, observing that transformational leaders can achieve positive outcomes such as employee retention. In addition, this study used the theory to explain how idealized influence and inspirational motivation contribute to desired

organizational outcomes such as performance, talented staff retention, organizational commitment, and self-efficacy among other emerging phenomena.

Leader-Member Exchange Theory

The leader-member exchange (LMX) theory explains the kind of relationship that forms with time between the leader and the individual subordinates (Yukl, 2010). Its proponents include Graen and Cashman in 1975, who posited that interaction between leaders and followers depends on compatibility between the two parties; and Dansereau, Graen, and Haga (1975), who suggested that personality influences this relationship (Yukl, 2010). The relationship breeds two groups: in-group where the parties have high-quality relationships, and out-group where the parties have low-quality relationships (Northouse, 2016; Kariuki, 2020). The idealized influence attributed aspect can be used to deduce that followers will follow leaders that they perceive as trustworthy more than those they perceive untrustworthy.

A number of studies have used this theory. For example, Judeh and Abou-Moghli (2019) used it to explain how transformational leaders interact with their followers to reciprocate the high-quality relationship. LMX is used in this current review to establish the kind of relationships that form between a leader and his followers to effectively influence them to change their values and attitudes from self-centeredness to organization-centeredness as asserted by the inspirational motivation. LMX is seen as one of the antecedents for future behaviours by both the leader and followers.

Attribution Theory

Attribution theory posits that individuals desire to know why others behave as they do, i.e., the cause and motive of behaviour (Schuh, Zhang, & Tian, 2013). It seeks to describe leaders' perceptual and cognitive processes behind their behaviours (Goethals, Sorenson, & Burns, 2004). The key proponents of the theory are Heider (1958), Kelly (1967), Weiner (1985), Calder (1977), and Green and Mitchell (1979). Yukl (2010) argues that followers judge the leaders' intentions, not only their actions, and this determines their interaction with these leaders.

The theory was used by Schuh, Zhang, and Tian (2013) to investigate the relationship between transformational leadership style and the authoritarian versus moral behaviours of the leaders, observing that followers who evaluate leaders' behaviour as selfish react differently than those who evaluate the behaviour as meant for collective benefits of the organization. In this study, the theory is utilized to address the puzzle in which followers consider idealized influence from two opposing perspectives: Moral versus immoral motive, ethical versus unethical, and authentic versus unauthentic intentions. This helps discern the truly transformational leaders from the narcissistic leaders who use charisma to rise to the top leadership for selfish gains (Padilla, Hogan, & Kaiser, 2007).

Emerging Theoretical Gaps

Transformational leadership theory has been faulted for being biased in accounting for only the positive outcomes and not the negative outcomes it brings into organizations (Odumeru & Ifeanyi, 2013). Parveen and Adeinat (2019) cite cases where transformational leaders cause stress and burnout to followers when they set very high-performance expectations and unprecedented organizational changes through inspirational motivation that followers struggle to cope with, but the theory is silent on such possible effects. Although the attribution theory

explains that leaders can have varying motives in inspiring followers for change, it does not suggest how followers should courageously respond to these leaders without jeopardizing their in-group relationships. Finally, the dimensions of transformational leadership have been defined in ambiguous ways without clarifying how each dimension succinctly plays its role (Odumeru & Ifeanyi, 2013).

The Call for a New Theoretical Model

Although qualitative research is often inductive and proceeds from research to theory, quantitative research is deductive and proceeds from theory to research (Sekaran, 2003). This is echoed by Kimani and Kilika (2019) in their observation that new theories should be developed to guide new frontiers of knowledge, especially in transformational leadership, where ambiguity in the construct's conceptualization has been highlighted in extant literature. In its current form of conceptualization, idealized influence is accused of being double-edged so that it can be used by leaders constructively or destructively since charisma can be either ethical or unethical depending on the leader's motives. However, transformational leadership was initially designed to purely constitute ethical and moral aspects (Avolio & Bass, 2002), and consequentially its dimensions should entirely promote these aspects. Thus, there is a need to define charisma and idealized influence as distinct since charisma can have both positive and negative effects on the followers (Lussier & Achua, 2010). In support of this proposition, Bass and Riggio (2006) opine that a leader can be transformational without being charismatic with a classic example of Bill Gates.

Although empirical studies have been conducted based on different conceptual models, extant literature presents these models as fragmented, thus lacking consistency that can unify them into a more comprehensive model (Al-Yami, Galdas, & Watson, 2018; Islam, Tariq, & Usman, 2018; Mwesigwa et al., 2020). Furthermore, such fragmentation makes it difficult to draw conclusive findings from research to advance knowledge in the leadership field, besides decades of research in this field. Therefore, it is logical to integrate the various models into a more elaborate model that includes transformational leadership dimensions, the immediate and ultimate outcomes, and the moderating context in which the dimensions are deployed.

The Proposed Conceptual Framework

From the foregoing discourse, the conceptual framework proposed in Figure 2 encompasses idealized influence and inspirational motivation dimensions of transformational leadership style and the resulting intermediate and ultimate outcomes when the dimensions are deployed in organizations in a microfinance context.

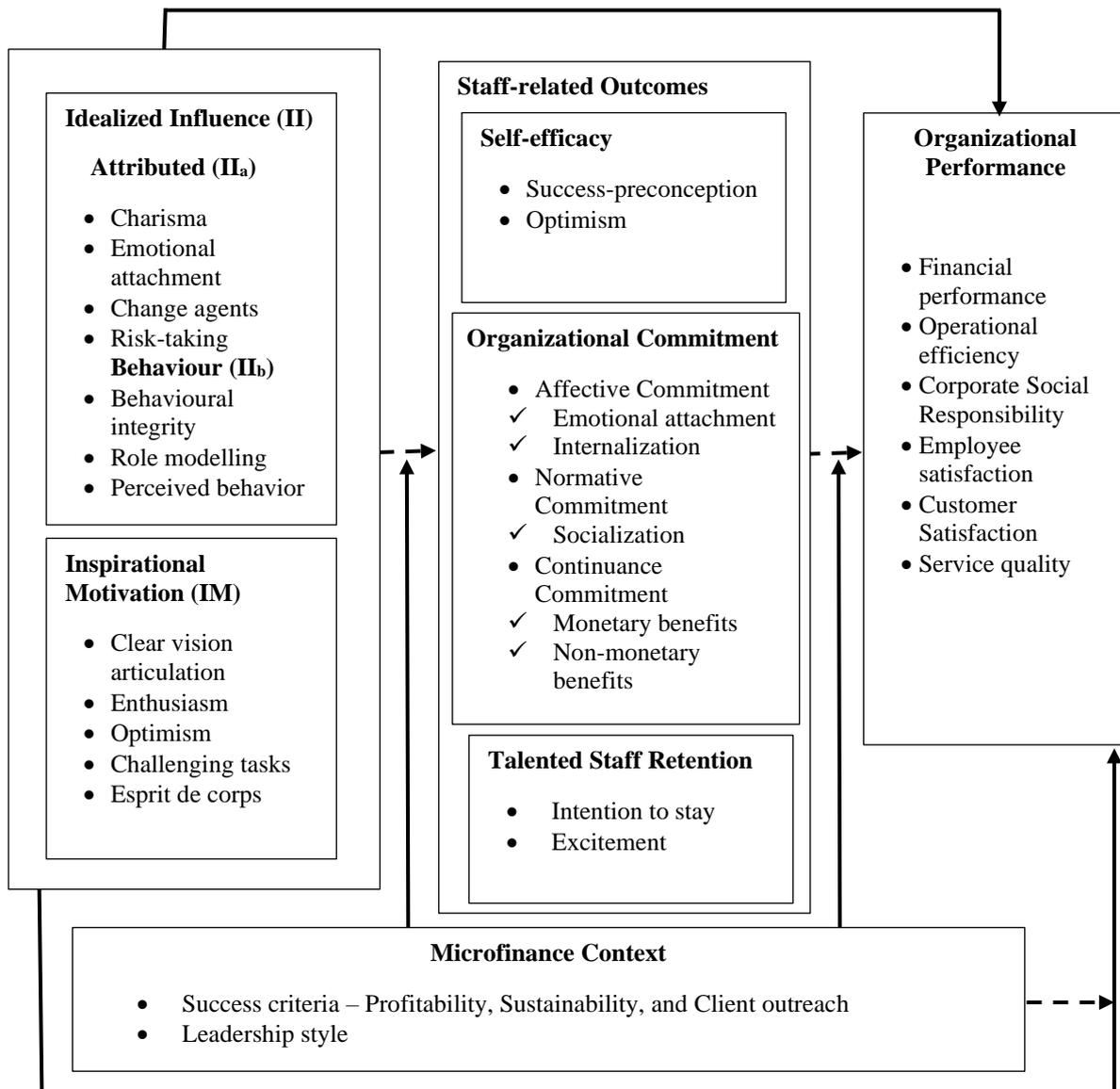


Figure 2. Conceptual framework

The Derived Propositions

The following propositions are derived from the conceptual framework in Figure 2 and can be empirically tested to enrich knowledge by practitioners and scholars in leadership.

Idealized Influence, Inspirational Motivation, and Organizational Performance

When deployed in an organization, idealized influence and inspirational motivation impacts organizational performance. The key indicators of organizational performance emerging from extant literature include financial measures such as return on investment (ROI), the volume of sales and market share, and non-financial measures such as employee and customer satisfaction, service quality, and corporate social responsibility (CSR) (Muthimi & Kilika, 2018).

Proposition 1a: Leaders strong in idealized influence will positively impact the overall performance of an organization.

Proposition 1b: Leaders strong in inspirational motivation will positively impact the overall performance of an organization.

Idealized Influence, Inspirational Motivation, and Self-Efficacy

Self-efficacy is a key factor influencing employees' performance, although little empirical research has been conducted on its link with idealized influence and inspirational motivation. According to Bandura (1997), self-efficacy can be created through social persuasion where their leaders orally inspire followers who believe that they can perform better than they initially thought they could. This persuasion can be traced to the inspirational motivation aspect of the transformational leadership style. Empirically, Hoxha and Hyseni-Duraku (2017) found idealized influence to be strongly and positively correlated with self-efficacy. Judeh and Abou-Moghli (2019) confirmed the mediation of self-efficacy in the relationship between transformational leadership and employees' intention to stay in their place of work. The impact of the constituent dimensions of transformational leadership on self-efficacy can be further investigated empirically.

Proposition 2a: The adoption of idealized influence by a leader impacts the creation of self-efficacy of the organization's employees.

Proposition 2b: The adoption of inspirational motivation by a leader impacts the creation of self-efficacy of the organization's employees.

Idealized Influence, Inspirational Motivation, and Organizational Commitment

Empirical studies have confirmed a positive correlation between transformational leadership style and organizational commitment (Avolio et al., 2004; Svyantek & Mahoney, 2014). This can be explained by the definition of idealized influence, which encompasses the emotional attachment enshrined in organizational commitment, defined as "the power of individual identification with, and involvement in, a particular organization" (Wulani, Supriharyanti, & Agustian, 2019, p. 82). Further, there is an emphasis on the significance of transformational leadership in increasing organizational commitment emerging from studies investigating the antecedents and the consequences of organizational commitment (Wulani et al., 2019). Additionally, Bass and Riggio (2006) link strong organizational commitment with transformational leadership that inspires and stimulates employees to change from self-interests to organizational interests as expected of the inspirational motivation dimension.

Proposition 3a: The idealized influence dimension of transformational leadership style plays a role in influencing the level of staff's organizational commitment

Proposition 3b: The inspirational motivation dimension of transformational leadership style plays a role in influencing the level of staff's organizational commitment

Idealized Influence, Inspirational Motivation, and Staff Retention

There is currently a lot of empirical research investigating the link between transformational leadership style and retention of staff in their organizations, at a global level (Edirisooriya, 2020; Judeh & Abou-Moghli, 2019), regional level (Ene, 2020), and local level (Lyria, Namusonge, & Karanja, 2017; Nyasunda & Atambo, 2020). These studies are guided by different conceptual frameworks, with most of them considering transformational leadership as

a unidimensional construct than the respective dimensions. However, it is necessary to narrow down to the relationship between the individual dimensions and staff retention. Muriuki and Ombaba (2018) recognize the imperative need to investigate the impact of the individual dimensions on organizational outcomes instead of considering the transformational leadership constructs as a general independent variable. For instance, inspirational motivation raises employees' excitement, making them happy to continue working within that organization. Although mentorship is more related to the individual consideration dimension through personal development (Edirisooriya, 2020), the role-modeling function of the idealized influence behavior (II_b) strengthens the mentorship process since the followers trust and respect the leaders they consider as role models (Bass & Riggio, 2006). Therefore, there is a need for a more integrative and unambiguous conceptual framework as a useful foundation for researchers undertaking scientific research in these constructs.

Proposition 4a: There is a positive correlation between idealized influence and retention of staff to continue working in their current organizations.

Proposition 4b: There is a positive correlation between inspirational motivation and retention of staff to continue working in their current organizations.

Idealized Influence, Inspirational Motivation, and Microfinance Context

The transformational leadership impact in organizations is expected to be dependent on the context upon which it is used. Among other sectors, empirical research has confirmed the profitability of deployment of transformational leadership in varying contexts such as mainstream financial sectors (Magasi, 2021), learning institutions (Gyansah, Ogola, & Guantai, 2020), manufacturing sector (Ding & Lin, 2020), information technology sector (Thuan, 2020), SMEs (Ogola, Sikalieh, & Linge, 2017), and microfinance institutions (Gathondu, Nyambegera, & Kirubi, 2018; Kariuki & Wachira, 2017). Deployment of transformational leadership dimensions in the context of microfinance is paramount given the two key purposes of microfinance institutions: Reaching out to the poor and sustainability (Ahmed, 2009).

Proposition 5a: The relationship between idealized influence and its organizational outcomes is moderated by the context within which it is deployed.

Proposition 5b: The relationship between idealized influence and organizational performance is moderated by the organization's context.

Proposition 5c: The relationship between inspirational motivation and its organizational outcomes is moderated by the context within which it is deployed.

Proposition 5d: The relationship between inspirational motivation and organizational performance is moderated by the organization's context.

Discussions, Conclusion, and Directions for Future Research

The comprehensive review of extant theoretical, conceptual, and empirical literature brings out the current state of understanding of the idealized influence and inspirational motivation constructs of transformational leadership, consolidating the otherwise largely fragmented knowledge in the field of leadership. The gaps that researchers need to fill for further

advancement of knowledge in the field are established, providing a pathway to a clearer conceptualization of the aforementioned dimensions of transformational leadership. Ethical issues, failure to explicitly capture the intentions of transformational leaders, and inadequate deployment of the constructs in the microfinance context are among the emerging conceptual gaps from the extant literature. Theoretical faults have been spotted in that the negative effects of idealized influence and inspirational motivation and situations in which these constructs can have negative impacts are not succinctly disclosed. While much literature has focused on the deployment of transformational leadership in organizations, there is a paucity of literature focusing on the intermediate and ultimate outcomes of the individual “four I’s” of transformational leadership style in those organizations.

There is a clear need to advance knowledge in the respective dimensions of transformational leadership style and the outcomes they produce when deployed in microfinance institutions. The proposed comprehensive conceptual model in Figure 2 can guide further research on the relationship between idealized influence and inspirational motivation and their resultant phenomena in organizations. The investigation can be reinforced by the propositions derived above. This would significantly boost microfinance institutions in overcoming their current challenges, such as talented staff retention and sustainability.

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