“TRANSFORMATIONAL LEADERSHIP, LEARNING ORGANIZATION AND EMPLOYEE EMPOWERMENT: AN ANALYSIS OF THEIR INTERRELATIONSHIPS AND FUNCTIONAL INTERDEPENDENCE IN THE AUTOMOBILE INDUSTRY”

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ABSTRACT

The current research focuses on three important aspects of an organization, viz., transformational leadership (TL), employee empowerment (EE) and learning organization (LO), their inter-relationships and interdependence in the automobile industry in Delhi, NCR, India. For the research, middle level managers of the automobile companies have been identified as target respondents and data collected were collected for 500 sampled respondents with the help of administering pre-developed questionnaires on transformational leadership MLQ-5X (shorter version), dimensions of learning organization questionnaire (DLOQ) and employee empowerment (Psychological Empowerment).

The results show that there is significant positive relation between TL & LO, TL & EE and LO and EE, but TL and LO were found to be the most significant among all. While determining the functional relationship between the three variables, EE has the lowest multiple correlations. As such, one cannot emphatically conclude that EE is the function of TL and LO. In fact EE appears as independent variable both the cases. This finding goes against the hypothesis that $EE = f(TL, LO)$. In other words, EE is not a dependent variable rather EE works as an independent variable to impact both TL and LO.

This research opens further scope for future researchers in the domain of transformational leadership, learning organization and employee empowerment not only in the automobile industry but in other sectors as well.

KEYWORDS: Transformational Leadership, Learning Organization, Employee Empowerment, Automobile Industry

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INTRODUCTION

Organizations are required to adapt change for survival and sustenance by providing quality products and services to customers. Transformational leadership contributes in adapting change in the organization. This leadership style has been found to have a great positive impact for adapting change and contributing towards a learning organization. At the same time, transformational leadership and learning organization contribute towards higher performance, quality of work, increase in employee involvement and empowerment enabling an organization to lead and fight competition.

As an organization introduces new products, new skill set is required to manufacture and deliver them to the customers. These skills need to be enhanced regularly in order to cater to the organization change and need; all of this requires innovation and creativity, Shelley & Gilson, (2004). Employees learn change due to the rules, regulations, and processes laid down by the leaders of the organization. A culture of trust, Masoud, Rahman & Albaity, (2013) and openness, Appelbaum et al., (2015) enhance ability of an individual to learn new changes that

arise within an organization. Leaders create this trust, Masoud, Rahman & Albaity, (2013) which enhance learning with an organization, Barsi, Ziglari & Abadi, (2013) and also increase employee empowerment level within an organization and also the behavior and attitude of employees regarding the perception of employee empowerment. Usage of virtual teams, multicultural teams (diverse team) are working on wide variety of products for an organization.

In the current scenario, learning organization concept has a great relevance in the automobile industry, for new technologies, processes, and models have come in the market. To cope up with the dynamic trends and for business sustenance, automobile industry has to adopt latest technology and techniques. Automobile industry is becoming a learning centric industry incorporating transformational, team working and enhanced employee participation. For this the automobile sector has been chosen as a focused area for the current research.

The automobile industry embraces learning organization concept in mainly four critical areas, viz.:

- Generating ideas and collecting information
- Reaching consensus
- Analyzing and displaying data and
- Planning actions

REVIEW OF LITERATURE

Leadership and Employee Empowerment

There are several factors which contribute towards an empowerment feeling of employees, most important of them is the organization culture and climate and support from the management that fosters creativity, Barsi, Ziglari & Abadi, (2013) ; Behroozi, Fadaian & Ebneroomi (2012); Nasser & Saadeh, (2013); Sigler & Pearson, (2000). Effective Leadership drives the creativity of employees. Various studies have shown that there is a positive impact of support leadership and creativity, and negative relationship between leaders who exhibit control, Oldham & Cummings, (1996). In one of the studies, Leader Member Exchange relationship was positively associated with employee creativity, Scott & Bruce, (1994); Tierney et al., (1999). The most daunting task for a leader is to promote creativity; hence it becomes the ultimate challenge. Transformational leadership leads to creativity mediated by psychological empowerment, Sun et al., (2012). Ahearne et al., (2005), showed different dimensions of empowering leadership including "enhancing meaningfulness of work, fostering participation in decision making, expressing confidence in high performance, and providing autonomy from bureaucratic constraints".

Empowering leadership has dimensions, Arnold et al., (2000, p.259) to include "coaching, informing, leading by example, showing concern/ interacting and participative decision making". Pearce and Sims (2002, p. 175), indicates the empowering leadership behaviors representatives like, "independent action, opportunity thinking, teamwork, and self-development, self-reward and using participative goal setting". Empowering leadership alone doesn't lead to psychological empowerment; there is a moderating role of empowerment role identity between them, Özaralli, (2003); Zhang & Bartol, (2010). Once an employee feels empowered, it leads to creative process and provides intrinsic motivation, which leads to employee creativity, Zhang & Bartol, (2010). Empowerment leads to employee creativity that there are several mediating factors. Structural empowerment mediate transformational leadership and psychological empowerment, psychological empowerment mediates structural empowerment and creativity. Structural and psychological empowerment mediates

transformational leadership and creativity, Sun et al., (2012). Psychological empowerment is affected by the various factors like, forthrightness, Appelbaum et al., (2015), help for innovation, Çekmecelioglu & Özbag, (2014), organization assistance, Chou et al., (2005), creativity and innovation, Behroozi, Fadaiyan & Ebneroomi, (2012).

Transformational leadership influences innovation with an organization but it is mediated by internal social capital and external social capital, Chen et al., (2016). Social capital consists resources that make it easy to take action and generate value among employees, Alder & Kwon, (2002). Internal social capital encloses by collectivity, Alder & Kwon, (2002) to include sharing of information, trust, honesty and collective visions, Leana & Pil, (2006). External social capital encloses building of network and interaction in outside of the organization, Shipilov & Danis, (2006). Kulhari & Agarwal, (2017), suggested that training also improves the performance of employees and motivate them to work hard for the organizational well-being.

Erkutlu & Chafra (2015), Servant leadership has also influenced the innovative behavior of employees moderated by empowerment role identity and creative role-identity. Trust in the leader leads to innovative thinking, also leading to employees' commitment and accepting change, Michaelis, Stegmaier & Sonntag, (2009). Pentareddy & Suganthi (2015), revealed that job characteristics of employees and their commitment are mediated by psychological empowerment. Psychological empowerment plays a mediator role between transformational leadership and innovative behavior, Pieterse, (2010).

Transformational Leadership and Empowerment

Past researches on transformational leadership have focused on dimensions of transformational leadership developed by Bass, (1990), Idealized Influence, Inspirational Motivation, Intellectual Stimulation and Individualized Consideration. Avolio, (1999); Bass & Avolio, (1990); Bass & Steidlmerier, (1999), all these are the dimensions of transformational leadership which make transformational leadership more strong and effective. Employee empowerment has a multidimensional approach. Spreitzer, (1995), various dimensions of empowerment are Meaning, Competence, Self-determination, and Impact and these dimensions are strongly associated with the empowerment of employees in each organization.

Transformational leadership should encourage empowering behavior among employees and to enhance their creative performance. If transformational leadership encourages dependency, then empowerment is low but if it encourages the creative performance of employees empowerment it is high Kollmann et al., (2013). Empowerment acts as a mediator between transformational leadership and employee performance Avolio, Bass, Walumbwa & Zhu, (2004); Nzuve & Bakari, 2012; Judge & Piccolo, (2004), however, organizational commitment affects employee empowerment and employee performance. This concludes that Transformational leadership should encourage empowerment which leads to organizational commitment, thereby, enhancing employee performance Avolio et al., (2004); Ismail et al., (2011).

Culture plays a dominant role in deciding employee desire or empowerment, in a lower power-distance culture like Canada. Transformational leadership style has a less impact on increasing employees' desire for empowerment. But in countries like India having high power-distance, the transformational leadership may impact employee desire for empowerment, Fitzgerald, (2009). Studies of Lan & Chang, (2015); Meyerson & Kline (2008); Özaralli (2003), have revealed that transformational leadership style of a leader increases subordinates perception of empowerment, and increases team effectiveness.

Psychological empowerment affects employees' work attitudes. It has a mediating effect on transformational leadership style and work attitudes Castro, Perinan & Bueno, (2008); Lan & Chong, (2015). Empowerment mediates the relationship between transformational leadership and follower meaning in life and their well-being. Meaning in life is defined as one's being an existence as an important factor. Well-being includes emotional responses and life-satisfaction Krishnan, (2012). An employee's intention to quit the organization depends on the degree of empowerment and transformational leadership. As empowerment and transformational leadership improve, it reduces the chance of an employee's intention to quit the organization, Gill et al., (2011).

Organization Culture, Transformational Leadership and Organizational Learning

Organization culture is the most important basis for the overall organizational performance. It is a well-known fact that leaders create organizational commitment, Weichrich & Konntz, (2005) and this translates to organizational culture leading to enhanced performance. It is the result of the leadership existing within the organization, Schein, (2004). However, Sumarto & Subroto, (2011), said that organization culture which is strong cannot improve the performance of an organization. In a study done by Amin & Yusof (2012), found that transactional leadership style influences the perception of lecturer's, regarding achievement of the student as compared to transformational leadership style. Leadership influences workplace performance, commitment, motivation and satisfaction Bass, (1990; 1999); Pounder, (2008); and organizational learning Amitay, Popper & Lipshitz, (2005); Senge, (1990b).

Transformational Leadership and Learning Organization

New age leaders deal with a lot of uncertainty and therefore ensure that the followers also accept the same, and it, therefore, became imperative for an organization to continuously learn through organizational learning. Transformational leaders help facilitate the learning process within an organization and bring in transformation. Leaders, therefore, creates a learning culture to bring in innovation and learning atmosphere, Prewitt, (2003). Rijal, (2010) held that transformational leadership and organizational culture impact learning of an organization. Leadership has an impact on learning the culture and it also helps in nurturing it, Kim & Bennett, (2012). Tichy & Ulrich (1984), suggest that as the environment undergoes change, it requires a leadership style that can transform and bring in changes to an organization.

Bass (2000), conceptually described the importance of transformational leadership style, fulfilling the needs of leadership in a learning organization. Brown and Posner (2001), suggested that leaders need to establish a direction that addresses organizations complexities, challenges, and the changes. This should shape the culture of the organization incorporating the vision and nurturing the talent. This means an organization needs a transformational leader for development. Learning organization characteristics and transformational leadership dimension are related with each other, besides organizational outcomes and transformational leadership was also related, Schiena et al., (2013). A leader should be able to build a learning culture to build commitment and avoid distractions, Corrigan, (2012). Kareem (2016), indicates that leadership style helps in promoting and building a learning organization. Elkins & Keller (2003), in their conceptual framework, suggested that those transformational leaders who interface motivational vision and help in providing intellectual stimulation and develop a Leader Member Exchange relationship with their follower are linked with the success of the project. Jyoti & Dev (2015), suggest that transformational leadership impact creativity of employee moderated by learning organization.

Transformational leadership impacts organization performance but organizations learning capability mediates this relationship, Camps & Rodriguez, (2011). Prieto & Phipps (2011), explained the importance of transformational leadership towards creating a learning organization, Singh, (2008). Singh (2008), held that when transformational leadership influences the learning organization, it is required that the leaders should be able to persuade their employees towards the vision of an organization and to motivate them simultaneously.

Empowerment, Change, Culture and Leadership

Erstad, (1997) conceptually worked on providing empowerment, empowerment processes, empowerment culture, training and development for empowered employees and empowered teams. Empowerment is a process being built on culture that focuses on certain behavioral change. It involves learning and developing employees, having high level of trust, employee participation and open communication, etc. Organization strategy encompasses vision, stronger relationship, and team work, training support, process improvement and problem solving. The author concludes that empowerment is a complex process involving a learning environment.

Hyland, Sloan & Barnett (1998), stated that management and employees must work together as a team for creating an empowerment culture. The author further states that self-based training on the job, support from the top management for the career development is all necessary to create empowerment culture. They also concluded that learning is a continuous process and this process should be as a part of an employee's job, if the organization fails to empower the employees, dissatisfaction increases. Tschohl, (1998) provides empowerment techniques to deal in customer service. The author states that empowerment, in its true sense, means that employees can bend and break rules while taking care of the customer. It also suggested that successful organization needs exceptional customer service which can be achieved only by empowering employees, trusting employees is way to empower employees.

Schein, (1999) conceptually provided that generative learning is individual driven and it is a form of coercive persuasion to bring in change and organizational learning. Details of organizational driven and individually driven are given below:

Table 1

Organizationally Driven	Individually Driven
Coercive Persuasion	Generative Learning
Socialization	Role innovation
Compliance emphasis	Internalization
Identification with role Models	Scanning the environment
Coaches as teachers Oriented to performance	Coaches as consultants oriented to personal growth

Source: Schein (1999)

Field, (1997) explained through case studies that empowerment and learning bring challenges for managers and employees. Employees are empowered, managers feel the loss of control and when employees are empowered they feel dangers of hostility and blames, experiencing more risk for empowered learning and low potential benefits. Watkins & Marsick, (1993) said that a culture of empowerment is created by learning organization. Pearn et al., (1995) said that for an organization to become a learning organization, it is necessary that there is a high level of commitment towards empowerment. Action learning theory proposed that manager learn in an effective manner by giving more emphasis on the real setting of the organization, with supporting environment, through the interaction with other members and empowerment which motivate for learning, Boisot & Fiol, (1987). Decision making (dimension of empowerment) strongly

predicts organizational learning. Mishra & Bhaskar, (2010) also observed that there is no difference between high and low learning organization empowerment method.

Manshadiet al., (2014) held that different components of organizational learning are related to different components of empowerment. Jamali, Khoury & Sahyoun, (2006) suggested that empowerment, team work, communication, commitment, trust, and flexibility together create an understanding of the learning organization. Barker & Camarater, (1998); Greenberg & Baron, (2003) said the personal mastery Senge's, (1990) principle of learning organization is achieved through empowerment, commitment, and communication. Commitment arises from self-efficacy. Empowerment along with self-efficacy helps individuals in their growth and development. Sundbo, (1999) concluded that innovative learning organizations are developed through corporate entrepreneurship. It was also suggested the individual learning competencies are easier to be developed in service firms. There is a significant and positive relationship between empowerment and organizational learning, Darvish & Norozi, (2011).

Leadership is a vital element for creating a learning organization in, Amitay, Popper & Lipshitz, (2015); Kareem, (2016); Rijal, (2010); Schiena et al., (2013); Senge, (1990). Transformational leadership also impacts employee empowerment, Avolio, Bass, Walumbwa & Zhu, (2004); Castro, Perinan & Bueno, (2008); Lan & Chong, (2015); Nzuve & Bakari, (2012); Piccolo, (2004) because it is the empowerment strategy laid down by leaders for their respective organization, but a learning organization cannot be achieved without employee empowerment.

RESEARCH GAPS

There have been various researches in the past which focused upon the relationship between transformational leadership and learning organization, transformational leadership and employee empowerment, learning organization and employee empowerment, but the relationship among these three variables together has never been addressed before. At the same time there are theoretical evidences related to the relationship between learning organization and employee empowerment but it lacks empirical validity. Yet another gap exists that the concept of learning was first introduced by TOYOTA, an automobile company, but researches have been never conducted in the automobile industry.

On the basis of the aforementioned review of the literature the researchers are curious to know the inter-relationships between the possible pairs of the three variables under study and to analyze their functional interdependence in the context of automobile industry.

RESEARCH METHODOLOGY

The title of the study is "Transformational leadership, learning organization and employee empowerment: An analysis of their interrelationships and functional interdependence in automobile industry". The nature of the study is descriptive based on Ex-Post Facto survey of the middle level managers in the present day context. The scope of the study is limited to studying empirically simple relationships between:

TL & EE, TL & LO and LO & EE

And functional relationships as:

TL = f (LO & EE)

LO = f (EE & TL)

$$EE = f(TL \& LO)$$

The study mainly focuses on the following objectives:

- To analyze the co-relationships between LO & EE, EE & TL and TL & LO and to test their significance at 1% level of significance.
- To examine the functional relationships when $TL = f(LO \& EE)$, $LO = f(EE \& TL)$ and $EE = f(TL \& LO)$.
- To identify which one of the three functional relationships is more significant.

Broader hypotheses of the study are:

- The co-relationships between the possible pairs of the three variables are significantly co-related.
- Employee empowerment is the function of TL and LO.

RESEARCH DESIGN

Observation Design

The study is based on primary data collected from the employees of the automobile industry through administering a well-designed pre-tested questionnaire.

For transformational leadership the respondents were asked to rate their leaders' transformational style of leadership on the basis of MLQ-5X (shorter version) instrument developed by Bass & Avolio, (1995). The original instrument contains 45 items divided in to four dimensions namely, Idealized Influence, Inspirational Motivation, Intellectual Stimulation and Individualized Consideration. For the present study, only 20 items from the MLQ 5X questionnaire were used. The reason is that among all the 45 items, only 20 items are related to transformational leadership style while other items are related to management by exception, contingent rewards, charismatic and laissez-faire leadership style.

Dimensions of Learning Organization Questionnaire (DLOQ) developed by Marsick & Watkins,(1999); and Watkins & Marsick, (1993; 1996) is a self-scoring format used by multiple researchers, Short version of DLOQ with same dimensions of (Marsick & Watkins) developed by Yang, (2003) has been used for seeking responses for learning organization.. This instrument includes 21 items that have been categorized under seven dimensions of learning organization, namely, Create Continuous Learning Opportunities, Promote Inquiry and Dialogue, Encourage Collaboration and Team Learning, Create System to Capture and Share Learning, Empower People Towards a Collective Vision, Connect the Organization to its Environment and Provide Strategic Leadership for Learning.

Spreitzer, (1995) developed a 12 item psychological empowerment scale. This construct measures its four components including meaningful work, competence, autonomy and impact, Fishermen, (1997) added four more dimensions to the empowerment which was represented by 11 items. These have been taken together for measuring employee empowerment

Sampling Design

Since, the population of the study is large sized, the researchers couldn't use census type study. Instead sampling approach has been used in this study. While using sampling, the researcher has taken full care to ensure that the size of the sample is

reasonable and representative, so that the findings and conclusions can be fully applied to the entire population of the study. For deciding the size of the sample, the researchers used the statistical approach as follows.

$$n = Z^2 \sigma p^2 / e^2,$$

Where the researcher has accepted the error term 0.058 and the S.D of the population as proxy figure is 0.66

$$n = (1.96)^2 \times (0.66)^2 / (.058)^2$$

$$n = 496$$

And as such, the sample size has been fixed around 500. The researchers assumed that the elements in the population are very - very large in number. For this study, middle level managers from automobile industry in the Delhi-NCR region were selected. Delhi NCR region included the following cities: Delhi, Faridabad, Gurgaon, Ghaziabad and Noida. Only those managers who had been with the organization for at least six months and had few subordinates working under them, and were reporting to senior management were considered to be eligible respondents. As such, stratified sampling technique was used to identify sampled respondents.

Statistical and Analytical Design

On the basis of the data collected through the survey the researchers have calculated mean scores for each of the dimensions and mainly used simple co-efficient of co-relation between each pair of the three variables and tested their significance by applying z test at 1% level of significance. Moreover, the functional relationships were studied through multiple co-efficient of co-relations and their significance was studied through F test at 1% level of significance.

In order to judge whether the average scores are vital or not, the researcher used the following criteria:

Table 2

Percentage of the Score of the Entire Spectrum	Remarks
Up to 60%	Not vital
Above 60% but up to 70%	Vital
Above 70% and up to 85%	Highly Vital
Above 85%	Extremely Vital

After analyzing these, bivariate tables have been prepared to find out the correlation between average scores of the attitude measurements of the respondents for:

- Transformational leadership and employee empowerment
- Transformational leadership and learning organization
- Learning organization and employee empowerment

Multiple correlations have been used between employee empowerment with transformational leadership and learning organization. Coefficient of correlation among the relationship transformational leadership, learning organization and employee empowerment has been calculated. Besides simple correlation between each of the two sets of variables were also studied.

ANALYSIS AND RESULTS

Relationships between Transformational Leadership and Employee Empowerment

Table 3: Coefficient of Correlation between TL and EE

		TL	EE
TL	Pearson Correlation	1	.757**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	104.755	77.948
	Covariance	.210	.156

H₀: There is no relationship between transformational leadership and employee empowerment.

H_a: There is significant positive relationship between transformational leadership and employee empowerment.

Pearson correlation analysis was applied for analyzing the relationship between transformational leadership and employee empowerment. Coefficient of correlation was calculated between transformational leadership and employee empowerment on basis of average scores of 500 sampled respondents. The calculated value of the coefficient of correlation between transformational leadership and employee empowerment $r = 0.757$. To test the significance of the result, z test was applied.

$$Z = r \cdot \sqrt{n} / 1 - r^2 \text{ S.E} = 1 - r^2 / \sqrt{n}$$

Calculated value of Z is 39.736 which is greater than the table value of Z at 1% level of significance 2.5751, hence, the null hypothesis is rejected. This implies that transformational leadership and employee empowerment have significant positive relationship.

Relationship between Transformational Leadership and Learning Organization

Table 4: Coefficient of Correlation between TL & LO

		TL	LO
TL	Pearson Correlation	1	.828**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	104.755	94.453
	Covariance	.210	.189

H₀: There is no relationship between transformational leadership and learning organization.

H_a: There is significant positive relationship between transformational leadership and learning organization.

Coefficient of Correlation was calculated on average scores of transformational leadership and learning organization of 500 sampled respondents. Calculated value of correlation coefficient between transformational leadership and employee empowerment $r = 0.828$. To test the significance of the result, Z test is applied.

$$Z = r \cdot \sqrt{n} / 1 - r^2 \text{ S.E} = 1 - r^2 / \sqrt{n}$$

Z calculated value 59.86 is greater than the tabulated value of Z at 1% level of significance 2.5751 hence, the null hypothesis is rejected. This implies that the transformational leadership and the learning organization have significant positive relationship.

Relationship between Employee Empowerment and Learning Organization

Table 5: Coefficient of Correlation between LO and EE

		LO	EE
EE	Pearson Correlation	.751**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	84.162	101.217
	Covariance	.169	.203

H₀: There is no relationship between employee empowerment and learning organization.

H_a: There is significant positive relationship between employee empowerment and learning organization.

Coefficient of Correlation was calculated on the basis of average scores of employee empowerment and learning organization of 500 sampled respondents. Calculated coefficient of correlation value between employee empowerment and learning organization $r = 0.751$. To test the significance of the result, Z- test is applied.

$$Z = r \cdot \sqrt{n} / 1 - r^2 \text{ S.E} = 1 - r^2 / \sqrt{n}$$

Z calculated value 38.711 which is greater than the tabulated value of Z at 1% level of significance 2.5751 hence the null hypothesis is rejected. This implies that the employee empowerment and learning organization have significant positive relationship.

These relations for the whole group are summarized below:

Table 6

Between Variable	Coefficient of Correlation
TL & LO	0.828
TL& EE	0.757
LO & EE	0.751

Functional Relationship among the Transformational Leadership, Learning Organization and Employee Empowerment

In addition to study the simple relationships between every pair of the three variables, the researchers tried to study the functional relationship among the three variables through multiple correlation coefficient for the following three functions were taken for the study.

$$TL = f(LO \& EE)$$

$$LO = f(EE \& TL)$$

$$EE = f(TL \& LO)$$

Table 7: Multiple Correlation Coefficient among the TL, LO and EE

Variables	Multiple Correlation Values	F Test Score	Table Value of F Test V1= (K-1), 3-1=2 V2= (N-K), 500-3=497
TL with LO & EE TL = f(LO & EE)	.853**	673.148	4.61
LO with EE & TL LO = f(EE & TL)	.851**	658.18	4.61
EE with LO & TL EE = f(LO & TL)	.786**	400.649	4.61

Calculated values of multiple co-relation co-efficient are significantly positive for the functional relationship among the variables. Results indicates that the value of TL with LO & EE are highly correlated among all the three functions $r=.853$. However, the value of ‘r’ for LO with EE and TL is also at par with the earlier function.

These findings lead one to conclude that both transformational leadership and learning organization are not fully dependent variables. They by and large have interactive relationships. This is obvious from the fact that TL gets affected by LO and EE, while LO gets affected by TL and EE.

Among the three variables EE has the lowest multiple correlation. As such, one cannot emphatically conclude that EE is the function of TL and LO. In fact EE appears as independent variable both the cases. This finding goes against the hypothesis that $EE = f(TL, LO)$. In other words, EE is not a dependent variable rather EE works as an independent variable to impact both TL and LO. Hence, the second broader hypothesis that employee empowerment is the function of TL and LO gets rejected.

CONCLUSIONS

Transformational leadership is a vital variable for the overall growth of the industry. Leaders having strong qualities to influence and motivate the followers, improve the overall wealth of industry. Transformational leadership has a positive relationship with the learning organization. It indicates that transformational leadership and learning organization has some influence on each other which create positive relation with each other. Learning organization is found to have the most significant positive relationship with transformational leadership in automobile sector among the three pairs. If employees are directed by the leader in right manner, they learn more and faster. At the same time there is positive relationship between learning organization & employee empowerment and transformational leadership & employee empowerment

However, transformational leadership, learning organization and employee empowerment do not possess individually emphatic functional relationship with the other two variables. To be more specific, EE does not appear to be the function of TL and LO.

The potential of the study is to help the automobile industry to gain an understanding through this research as it addresses the areas that have never been studied in an automobile industry. This research, therefore, aims to fulfill this particular gap. On the other hand it also suffers from a few limitations. Since, the study is based on sampling approach, all the limitations of sampling also becomes the limitation of this study. Though studying perception/attitudes relates to qualitative research, the researcher tried to quantify the responses through scaling technique using 5-point Likert scale, treating it as an interval scale. Despite these limitations, the researchers made an all-out effort to analyze the problem objectively, so as to reduce bias, and the results may be, by and large precise, accurate and reliable.

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