The Impact of Transformational Leadership Style on Job Satisfaction

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Abstract: The purpose of this study is to examine the relationship between transformational leadership style and employee job satisfaction. Attaining employees’ job satisfaction is crucial to retain productive and efficient employees. Therefore, one of the ways that may be effective help managers in increasing the satisfaction among their followers is employing the right leadership style. An effective leader is one that commands respect and trust by their followers. Four transformational leadership characteristics which are idealized influence, inspiration motivation, intellectual stimulation and individualized consideration are discussed. Transformational leaders perform in behavior that permits them to dole out as act models for their followers. They act in manners that inspire and stimulate those concerning them by bestowing challenge and meaning to their followers’ work. They need to rouse their followers’ efforts and wage distinct attention to every single individual follower’s needs for development. Base on literature review, most previous studies confirmed that these characteristics are significantly related to employees job satisfaction. An empirical study was conducted in a Government Linked Company in Malaysia. 378 employees from 6 different departments are invited to be the respondents of this research. The number of completed surveys which were returned to the researcher was 255. This represents a return rate of 67.46%. The findings show that only one of the four transformational leadership characteristics are found to have significant relationship with job satisfaction. Characteristic of individualized consideration are found to be contributed most in job satisfaction.

Key words: Transformational leadership • Followers • Leadership styles • Job satisfaction • Relationship

INTRODUCTION

Choices, competing sets of values and priorities are the leaders’ dilemmas. Usually leaders recognize and counter the dilemmas with an obligation to doing what is right. Thompson (2011) stated sometimes even the right action seems clear; to do what is right takes great moral courage. Although the leaders face lack simple black-and-white answers challenges. No matter what the case happened, to become a good model for an organization, leaders must set a moral example to others [1].

However, according to Howell and Costley [2], several current leadership issues do not demonstrate good leaders. Some of these issues include leader’s diversity, fairness and ethics, leader development and change and transformational leadership. There is a hidden assumption that both parties will perform fairly and morally when leaders communicate with followers in order to attain goals. Trust is needed for both mutual cooperation and this is imperative in order for them to trust one another. These recent years focused more on the unethical behaviour by high-level leaders in large organizations.

Kouzes and Posner [3] reveal that unethical leaders often benefit themselves and cause harm towards the customers and investors who trusted them. They are more willing to cooperate with other parties and destroy the commitment just to make their organizations prosper and survive. These demonstrate that leaders should observe and learn from regarding fair and ethical behaviour in order to play role as the good model for employees in the organization.

As stated by Storey [4], in globalization and leadership, diversity has become a major worldwide trend. People throughout the world who hunt down jobs and become recipients of services offered by organization involve in this trend. These factors might impact and vary in leadership characteristics of individual in organization.

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Other issue has become one of the most discussed in recent years is the degree of job satisfaction. Goals set by the leaders in the organization could enhance employee’s job satisfaction. In order to allow the organization to achieve goals, it is crucial to understand the relationship between perceived leadership and job satisfaction as it helps in crafting a motivated and efficient workforce. The factors that could influence an employee’s perception of job satisfaction are leadership characteristics including educational background, lengths of tenure, gender and culture [5].

In this era, contemporary leaders lack in showing individual support plus possessing an innovative edge. A transformational leadership style ought to have these qualities aspects and while they are significant factors contributing to organizational effectiveness as well as job satisfaction among employees whereas, they become even extra vital during times of organizational change [6, 7]. During change, transformational leadership is an essential and could influence employee job satisfaction. Transformational leader’s will barrier employee distress and job dissatisfaction and give motivation to follower to collaborate and attain better results only if applying their visionary and collective approach [8, 9].

Components of Transformational Leadership: Transformational leaders do extra alongside colleagues and followers than set up easy exchanges or agreements. They behave in methods to accomplish superior aftermath by retaining one or extra of the four core components of transformational leadership.

The components of transformational leadership have evolved as refinements have been made in both the conceptualization and measurement of transformational leadership to some extent. Theoretically, leadership is charismatic and followers pursue to recognize alongside the head and emulate him or her. The leadership inspires followers alongside challenge and persuasion, bestowing both understanding and meaning. This kind of leadership is also intellectually motivating and increasing the followersuse of skills [9].

Idealized Influence: Transformational leaders perform in behaviour that permits them to dole out as act models for their followers. The leaders are considered, respected and trusted. Followers recognize alongside the leaders and desire to motivate them; leaders are endowed by their followers as possessing astonishing skills, persistence and determination. Thus, there are two aspects to idealized influence: the leader’s behaviours and the fundamentals that are attributed by followers to the leader and additional associates [10].

These two aspects that measured by distinct sub factors of the MLQ, embody the contact nature of idealized influence. It is made considering the leader by followers for both embodied in the leader’s actions and in attributions. An example item from the MLQ that embodies idealized influence actions is “The leader emphasizes the significance of possessing a collective sense of mission.” An example item from the idealized influence attributed factor is “The leader reassures others that obstacles will be overcome” [10].

Inspirational Motivation (IM): Bass et al. [11] trusted transformational leaders act in manners that inspire and stimulate those concerning them by bestowing challenge and meaning to their followers’ work. Team spirit is instilled. Eagerness and positive thoughts are displayed. Leaders become followers encompassed in envisioning appealing upcoming states; they craft clearly communicated expectations that followers desire to encounter and additionally clarify commitment to aims and the shared vision. An example MLQ item for IM is “The leader articulates a compelling vision of the future” [10].

Literally, idealized influence leadership and inspirational motivational is a joined solitary factor of charismatic-inspirational leadership. The charismatic-inspirational factor is comparable to the behaviours delineated in charismatic leadership theory [11].

Intellectual Stimulation (IS): To be innovative and creative by questioning assumptions, reframing setbacks and approaching aged situations in new ways, transformational leaders need to rouse their followers’ efforts. There is no area criticism of individual members’ mistakes and creativity is inspired. New thoughts and creative setback resolutions are solicited from followers, who are encompassed in the procedure of addressing setbacks and discovering solutions. Followers are inspired to endeavours new ways and their thoughts are not disapproved because they differ from the leaders’ ideas. An example item from the MLQ that embodies intellectual stimulation is “The leader gets others to gaze at setbacks from countless disparate angles” [10].
Individualized Consideration (IC): Transformational leaders wage distinct attention to every single individual follower’s needs for attainment and development by assuming the responsibility of a coach or mentor. Followers and colleagues are industrialized to progressively attain higher levels of potential. Individualized consideration is implemented after newly discovered opportunities are crafted alongside a supportive climate. The leader’s actions show agreement of individual differences. For instance, few employees accord extra motivation, some extra autonomy, others firmer standards and yet others extra task construction [11].

A two-way communication is inspired and “management by walking around” workspaces are practiced. Communication alongside followers are personalized, for example, the leader remembers preceding conversations, is cognizant of individual concerns and sees the individual as a person rather than just an employee. The individually thoughtful leader listens effectively. The leader divides tasks as a way to develop followers. Divided tasks are monitored to discern if the followers demand supplementary direction or prop and to assess progress. If possible, followers do not sense they are being checked on. An example MLQ item from the individualized consideration scale is “The leader spends period teaching and coaching” [10].

Relationship Between Transformational Leadership Style and Job Satisfaction: A review of relevant literature reveals various relationships theorists have generated from their own researches of transformational leadership style and job satisfaction. Based on Bodla and Nawaz [12] in their study, focused in elaborating the transformational leadership concept and determining its relationship with satisfaction whether leaders are satisfied from their style. The population of the study is the faculty members in higher education institutes and universities. The data were collected by administering Multifactor Leadership Questionnaire (MLQ) to 265 faculty members in all. From the result, the study found a significant and positive relationship between leadership style and satisfaction. In addition, the researchers advised for policy implication that leaders must also agree with the opinion of the followers when they come with sound logic and reasoning so they can feel confidence and transform into future leaders [12].

Mohammad et al., [13] in their study which aimed at identifying the relationship and job satisfaction of registered nurses at Jordanian private hospitals also found a positive result. The study was conducted at private hospitals located in Amman, Jordan were consisted of registered nurses. About 200 surveys mailed out to registered nurses but only 83% response rate (168 valid surveys) were returned. The survey was adapted from the Multifactor Leadership Questionnaire (MLQ) and Minnesota Satisfaction Questionnaire (MSQ) which adapted to measure the two factors of job satisfaction. The results showed a statistically significant positive relationship existing between the five dimensions of transformational leadership and the two dimensions of job satisfaction. Intellectual stimulation dimension was the strongest relationship between internal job satisfaction and transformational leadership.

Shurbagi and Zahari [14] conducted a study of the impact of organizational culture on the relationship between transformational leadership and job satisfaction in National Oil Corporation of Libya found a positive relationship as well. The research was carried out by using the Multifactor Leadership Questionnaire (MLQ) to measure transformational leadership, the Organizational Culture Assessment Instrument (OCAI) to measure organizational culture and the Job Satisfaction Survey (JSS) to measure job satisfaction. Quantitative survey method was applied and a sample of 50 employees of National Oil Corporation of Libya was selected to answer the instrument. The data collected was analyzed by using SPSS software and empirical results indicate that organizational culture impacts the relationship between transformational leadership and job satisfaction, while the relationship between these variables is positive significant relationship.

Gill et al., [15] also found positive relationships between employees' perceived transformational leadership used by managers and employees' perceived job satisfaction among Indian restaurant employees. A total of 218 restaurant industry employees from the Punjab area of India were surveyed to assess their perceptions of transformational leadership, empowerment and job satisfaction at their work place. Since employee perceived managerial transformational leadership and employee perceived empowerment increase employee job satisfaction, it is vital for the hospitality managers/supervisors to use transformational leadership and empower their employees.
Riaz and Haider [16] in their study conducted to determine the impact of transformational and transactional leadership style on job success and career satisfaction found positive results as well. A total of 240 responses from various private organizations working in the Pakistan capital city were collected by using various measures of TLI Questionnaire along with the items of job success and career satisfaction. Transactional leadership is found significantly related to job success while transformational leadership and job success are found highly related with career satisfaction. The regression analysis results showed that job success is more dependent on transformational and transactional leadership as compared to career satisfaction.

Albion and Gagliardi [17] revealed that the transformational leadership components were positively related to job satisfaction during organizational change. About 2549 questionnaires were completed by public servants employed in a variety of government departments undergoing major structural and procedural change. From the survey conducted, the aspects of transformational leadership - articulating vision, intellectual stimulation, role modeling, encouraging group identity, collaboration and individualized consideration are related to job satisfaction during organizational change.

Nielsen, et al., [18] in their research also found positive relationship between transformational leadership and job satisfaction in the healthcare sector. The study was conducted to examine two possible psychological mechanisms that link transformational leadership behaviours to employee job satisfaction and well-being. Questionnaires were distributed and 274 elderly care employees completed the questionnaire. From the survey, team efficacy was found to partly mediate the relationship between transformational leadership and job satisfaction and fully mediate the relationship between transformational leadership and well-being.

Another researchers, Risambessyet. al. [19] conducted a study on the influence of transformational leadership style, motivation, burnout towards job satisfaction and employee performance also has a positive significant. Data collected by conducting interviews, distributing questionnaires and observation techniques as well as using SEM analysis tool with 105 respondents in a hospital. The research proved that transformational leadership style with idea indicator; the influence of leader behaviour, intellectual stimulation, a consideration of the individual has a significant and positive influence towards motivation. Besides that, transformational leadership style has significant influence and positive toward job satisfaction.

Omar [20] proved that the relationship of transformational leadership components (individualized consideration, inspirational motivation, idealized influence and intellectual stimulation) showed a positive impact on job satisfaction. The samples of the study consisting of 218 employees in public and private companies in Argentina were used to examine the possible relationship between the perception of supervisor as a transformative leader and job satisfaction. From the survey conducted, the results indicated that when employees perceive their supervisor values, their contributions and encourages their behaviour meets their needs, that is, when they perceive it as a transformative leader, increases job satisfaction.

Besides, Bushra et al., [21] also found a positive relationship between transformational leadership on employees job satisfaction and organizational commitment of banking sector in Lahore, Pakistan. Three banks were selected for the simple random sampling basis. A total of 133 out of 200 questionnaires were returned back indicating 66.5% response rate. From the survey carried out, the statistical findings supported the hypothesis 1 that states a positive relationship exists between transformational leadership and employees’ job satisfaction. It has been found that transformational leadership has significantly positive effect at level of overall job satisfaction.

In addition, a study conducted by Chi et. al., [22] found that the transformational leadership significantly affect job satisfaction of the non-profit organizations in Taiwan. The study was purposely to identify the effects of transformation leadership, organizational culture and job satisfaction on the organizational performance. The survey was conducted by distributing 200 questionnaires, 88 questionnaires were returned but only 81 were sufficiently completely can be used for the analysis. The results displayed that transformational leadership significantly account for job satisfaction. Thus, transformational leaders should display their charismatic leadership, give a good example and build a practical and clear vision to their followers.

Yusof and Shah [23] in their findings also demonstrated that there was a significant relationship between transformational leadership behaviours of athletic directors and coaches’ job satisfaction at NCAA Division III Institutions. A total of 308 questionnaires
collected from coaches were used as data for this study. The study concluded that transformational leadership behaviours of athletic directors have a direct relationship with coaches' job satisfaction in the absence of a strong leadership substitute or neutralizer.

In order to promote the organization performance, transformational leaders create a new and original management understanding to an organization whereby their job is to manage by using their individual special features. The transformation happens in the organization has also a positive influence on employees and this will increase employees’ job satisfaction [24]. Transformational leaders create a safe and soft influence on their followers and provide a high job satisfaction level by supporting followers’ act of making individual choices. Therefore, the transformational leaders encourage and motivate their followers to have creative ideas and give reward if the followers are well performed [25].

Another researcher, Shibru and Darshan [26] also found a positive relationship between transformational leadership and subordinate job satisfaction in their studies of leather companies in Ethiopia. The study participated by 145 valid participants from ten sampled leather companies who responded to the survey MLQ questionnaires. From the analysis carried out, the Pearson correlation analysis found that all components of transformational leadership are highly correlated with each other and strongly correlate with subordinate job satisfaction. Only two factors, idealized influence and individualized consideration showed very high correlation with each other and high determinant in predicting subordinate job satisfaction. The regression analysis found that transformational leadership explained 40.6% of the variance in subordinate job satisfaction. It is apparent that as transformational leadership practice increase, the subordinate job satisfaction increase as well.

Conceptual Framework: The framework for this study is presented in Figure 1 below that shows the relationship between dependent variable job satisfaction and four transformational leadership style domains as independent variables.

Research Methodology

Research Design: This study investigates the effect of leadership style on job satisfaction by means of a descriptive and analytical methodology. Quantitative research designs area adopted. The quantitative study applies a survey type of research design. The survey method using a structured questionnaire was utilized to obtain primary data from the participants. The data has been analyzed using Statistical Package for Social Sciences Version 18 (SPSS 18). The collected data is then analyzed using descriptive statistics and Pearson correlation analysis. A multiple regression analysis has been used to test the hypotheses.

Research Sample and Data Collection: A Government Link Company (GLC) in Malaysia has been selected in the state of Johor, the southern most state in West Malaysia. The name of the company is withheld for the purpose of confidentiality. In this study, the company will be named as ABC company. The company has been established 40 years ago and now has more than 1000 staff. The company involves in major business sectors of the company including of Specialist Healthcare services, Palm Oils, Foods and Quick Service Restaurants, Hospitality, Property and as well as Logistic/Services. 378 staff from 6 different departments are invited to be the respondents of this research. The number of completed surveys which were returned to the researcher was 255. This represents a return rate of 67.46%.

Research Instruments: The Multifactor Leadership Questionnaire (MLQ) has been used to measure transformational leadership style. Transformational leadership style is measured using 4 factors: (a) Idealized Influence, (b) Inspirational Motivation, (c) Intellectual Stimulation and (d) Individual Consideration [10].

The Minnesota Satisfaction Questionnaire (MSQ) is used for measurement of job satisfaction. MSQ includes measurement of employee intrinsic job satisfaction, extrinsic job satisfaction as well as general satisfaction [27].

RESULTS AND DISCUSSION

The results of correlations insignificant relationship between most transformational leadership characteristics and employee job satisfaction as shown in Table 1. However, only individualized consideration has a positive
and significant relationship with the job satisfaction ($r = 0.174, p<0.01$). However, this finding does not support several previous studies [12, 13, 16-18, 20-22, 25] which have revealed that there is a positive and significant relationships between all transformational leadership characteristics and job satisfaction.

The Coefficients table shown in Table 2 displays the standardized Beta coefficients between the predictor variable leadership characteristics and the dependent variable overall job satisfaction. The Beta coefficients show some positive and negative values which were not statistically significant at the different levels. The highest Beta coefficient value found is individualized consideration $\beta = 0.184 (p <0.004)$.

This findings support previous researches [19, 20, 26] which reported that leaders who implement transformational leadership characteristic such as individualized consideration contribute most towards employees’ job satisfaction.

Individualized consideration ascertain what motivates each individual and occurs when a leader gives attention to differences of their followers. Individualized attention makes the leaders become closer and familiar with followers, improves communication and information exchange as well. Avolio and Bass [8] remarked that a leader exhibits more regular individualized consideration when showing wide support for the efforts of followers. The improvement of individualized consideration surrounding supportive and developmental leadership is likely to have transformational effects [28, 29].

### CONCLUSION

**Implication for Practice:** An effective leadership development and intervention which is vital to be considered was suggested by Kouzes and Posner [3];

- Leaders have to inspire a shared vision for stakeholders.
- Leaders must engage with challenges.
- Leaders have to encourage and enable others to act

Furthermore, leaders must act as a good role models and displaying full commitment to accomplish organizational objectives and gain trust from organizational members. Leaders should coach, paying attention to employees’ desires, needs and abilities, provide a supportive environment and help them develop their talent [30].

Additionally, leaders should improve their knowledge periodically about leadership styles. The leaders would more understand what and how their leading style influences employees and why to have a good leadership style in managing and leading the organization. Plus, the leaders should know and choose the best style that best suited for employee’s abilities and needs and organizational goals as well.

To ensure employee’s performance getting higher and better, leaders should develop their talents, creativity and always encourage employees to perform particular tasks. The reasons by practicing these approaches are to boost employee’s confident and
enthusiastic in performing their tasks effectively. Besides, the leaders should develop continuously managerial skills of team orientation, creativity, employee recognition and coaching.

Leaders also could give continuous motivation to employees throughout enhanced participation as a way of recognition. Besides, leaders could enrich employee’s jobs and providing a higher sense of challenge and achievement if quality working life (QWL) is adapted. Job rotation, job training, re-assigning supervision and temporary promotion until the employee has proven the success of new task assigned are among the effective results that could be achieved.

**Suggestion for Future Research:** This current study examined the employees’ perception on leadership characteristics and relationship between transformational leadership style and job satisfaction. Future research could involve more variables such as turnover intention, job performance and organizational commitment. Since the measure of organizational size influencing the variables in this study, other approach for future researchers should consider to develop additional knowledge for the review body is to study smaller size organizations. Comparative study on this similar study can be made between multinational companies and small medium industries. It is also possible that further investigation determining on dimensions of job satisfaction which included management, salary, welfare, praise, promotion, colleague, system job condition and other dimensions to an even greater degree could be highlighted, as none of these dimensions were studied in detail in the current study.

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