



## Transformational Leadership and its Impact on Job Satisfaction

### KEYWORDS

Transformational leadership and Job satisfaction

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**ABSTRACT** *In the olden days the workers used to work in any situation irrespective of wage for their daily bread. In those periods the workers didn't get importance because of the give and take policy or transactional leadership style but now the scenario has changed. Management also understood the value of the efficient workers and realised that human resource are the important asset for the organisation. If the climate is not conducive then, it would directly impact organisational productivity and work. So that management also realised that job satisfaction of the employees is imperative to compete with others and stand in market and better productivity and also for better outcomes. Job satisfaction has a direct impact on organisational outcomes like performance, employee, attendance, retention, personal outcomes, quality of work life, quality of life, well-being and etc. The major objective of the study is to find out the relationship between transformational leadership and job satisfaction. The sample size of the study consist of 209 employees of select ITES sectors in Chennai. These employees included executives from operational level. The leaders' behaviour was measured using the transformational leadership behaviour inventory (Podsakoff, et al., 1990) and the Minnesota Satisfaction Questionnaire (MSQ) used to investigate job satisfaction. IBM SPSS 20 is used to analyse the data. The evidence in this study suggests that transformational leadership is positively associated with job satisfaction.*

### Introduction

In the olden days the workers used to work in any situation irrespective of wage for their daily bread. In those periods the workers didn't get importance because of the give and take policy or transactional leadership style but now the scenario has changed. Management also understood the value of the efficient workers and realised that human resource are the important asset for the organisation. If the climate is not conducive then, it would directly impact organisational productivity and work. So that management also realised that job satisfaction of the employees is imperative to compete with others and stand in market and better productivity and also for better outcomes. Job satisfaction has a direct impact on organisational outcomes like performance, employee, attendance, retention, personal outcomes, quality of work life, quality of life, well-being and etc. Hence, in the management and organisational point of view job satisfaction is a very important. There for the best outcome management has to satisfy reasonable needs of the employees and motivate them for the better outcome. Some studies have reported strong correlations of organisational commitment and job satisfaction with turnover (Benkhoff, 1997).

If the workers are not satisfied with their working condition they will go for the next opportunity that is available for them or otherwise they resign the work or show laziness in their work. Therefore identification of job satisfaction problems and eradication of such problems is one of the important roles of every manager or leader. If the managers or leaders are unable to identify the problems of staff the organisation will lose valuable human resources and become less productive that also affect the profitability of the firm.

On the other hand transformational leadership is a style of leadership where the leader is charged with identifying the needed change, instilling the vision to guide the

change through inspiration, and executing the change in tandem with committed members of the group. It also serves to enhance the motivation, morale, and job performance of followers through a variety of mechanisms; these include connecting the follower's sense of identity and self to the project and the collective identity of the organization; being a role model for followers in order to inspire them and raise their interest in the project; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, allowing the leader to align followers with tasks that enhance their performance.

Leaders are expected to be more influential if followers perceive their behaviour as "transformational oriented" (Lord and Maher, 1993). The perceptions of followers regarding the effectiveness of their leaders thus constitute an important indication of effectiveness. In research on transformational leadership, it is generally hypothesized that transformational behaviours and practices will result in perceived effectiveness and satisfaction on the part of followers (Avolio and Bass, 2004; Bass, 1985; Lowe et al., 1996). Transactional leadership considers the relationship between leader and follower to be mainly one of exchange. The leader offers rewards to the follower in exchange for desired behaviours and practice. Transformational leadership takes place when leaders interact with followers in ways that enhance mutual levels of creativity and motivation in the organization (Burns, 1978). So that leaders have a great impact on workers or staffs.

### Literature Review

Lo et al. (2009) suggest that the leader have an important affect in delegating responsibility than focused on the command and authority while dealing with the workers. So that leader's skill, characteristics, attitude and behaviors will influence the subordinates, it will leads to proper functioning of organization. Avolio (1991) reported that

transformational leaders are more focuses on subordinates compared to transformational leader in motivating them for go organizational objectives. So that transformational leaders are believe that by giving punishment and reward followers will easily motivate. So a good leader will help to followers to perform at excellent capacity (Mosadeghrad, 2003).

A transformational leader should be capable for perform with efficiently, honestly and with integrity (Aronson et. al., 2003). An effective transformational leadership will lead to efficiently achieve task given and organisational goals (Gharehbaghi & McManus, 2003). Limsila and Ogunlana (2007) reported that a good leadership style lead to employee satisfaction. Therefore a leader should capable of communicate mission, vision and values regarding the organisation to motivate their followers. Job satisfaction is defined as how much a person like a their job or the task they are doing, job satisfaction does not related to how a work can be done well, or how much effort an employee have put into it (Hughes et al., 2006). Followers Job satisfaction was a measure for leadership effectiveness (Yukl, 2008).

Steven L. McShane. (2004) determined that job satisfaction is a examination of own work in terms of context of own work. Peter K. C. Lee, T.C. Edwin Cheng, Andy C.L. Yeung and Kee-hung Lai (2011) reported that the different dimensions of the transformational leadership have an impact on follower's job satisfaction. Adnan Riaz and Mubarak H. Haider (2010) reported that transformational leadership stlye were positively correlated with job success and career satisfaction. Jalal R. M. Hanaysha\*, Khawaja Khalid, Nik Kamariah Nik Mat, Fosa Sarassina, Muhd Yahya Bin Ab Rahman, Ahmad Sazali Bin Zakaria (2012) examine the relationship between transformational leadership and job satisfaction. The major objectives of the study were the effect of transformational leadership on follower's job satisfaction. Multifactor leadership questionnaire is used to collect transformational leadership and work quality index is used to measure job satisfaction. The study report transformational leadership characteristics such as intellectual stimulation and individualized consideration affect the follower's job satisfaction. Intellectual stimulation positively correlated with the follower's job satisfaction. On the other hand individualized consideration has a negative impact on follower's job satisfaction.

Yi-Feng Yang Majidul Islam, (2012) study the influence of transformational leadership on job satisfaction based on balanced scorecard perspective. The main objective of the study was identifying the influence of transformational leadership on job satisfaction. The study finds that transformational leadership has a significant impact on job satisfaction.

### Objectives

The major objective of the study is to find out the relationship between transformational leadership and job satisfaction.

### Methodology

#### Participants

Questionnaires (N = 260) were sent to the employees of select ITES sectors in Chennai. These employees included executives from operational level. Personnel in these divisions needed to interact closely and act in coordination with their supervisors to communicate quickly, provided appropriate information, and facilitated reliable customer

response. Two hundred and nine responses (80.38) were received. The sex distribution of the valid responses (N = 209) included those from 118 men and 91 women. Their mean age was 35.3 yr. (SD = 6.8). Their years of service were: 5 yr. or less (25.3%); 6–10 yr. (28.9%); 11–15 yr. (26.4%); 16 or more (19.4%). Education was as follows: senior high school (12%); associate (26.4%); bachelors (54.3%); graduate school (7.3%).

### Measures

Transformational leadership — The leaders' behaviour was measured using the transformational leadership behaviour inventory (Podsakoff , et al ., 1990), which is a 23-item, six-factor scale measuring the following: acceptance of group goals, high performance expectations, intellectual stimulation, appropriate role model, articulating a vision, and individualized support. The Cronbach's Alpha reliabilities for this scale obtained are .819.

Reliability Statistics	
Cronbach's Alpha	N of Items
.819	23

In the present data, Cronbach's Alpha was .819 in this sample, indicating adequate internal consistency. The validity testing showed the following rests: overall cumulative variance explained = 73.8%; Kaiser- Meyer-Olkin (KMO) = 0.81.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.812
Bartlett's Test of Sphericity	Approx. Chi-Square	406.008
	Df	136
	Sig.	.000

The eigenvalues for the six factors described above were 8.14, 2.17, 1.42, 1.21, 1.14, and 1.03, respectively. Here results indicate factor validity, since all items' KMO exceeded the recommended level of .50, Similarly Bartlett's test of sphericity was significant at 1% level it indicates that there is sufficient correlation between the variables to proceed with the analysis. Each factor's eigenvalue exceeded the recommended value of 1.00; the overall explained cumulative variance exceeded 50%; and each item's factor loading exceeded 0.50.

Job satisfaction — The Minnesota Satisfaction Questionnaire (MSQ) used to investigate job satisfaction. Items included "The chance to tell people what to do," "The way my co-workers get along with each other," and "The working conditions." The Cronbach's Alpha reliabilities for the scale obtained are .806.

Reliability Statistics	
Cronbach's Alpha	N of Items
.806	19

Utilizing the same procedure as described above, the factor validity for the short MSQ form is as follows: overall cumulative variance explained = 67.23%, KMO = 0.75, with the eigenvalues for the two factors described above being 4.29 and 1.82, respectively. Similarly Bartlett's test of sphericity was significant at 1% level it indicates that there is sufficient correlation between the variables to proceed with the analysis.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.753	
Bartlett's Test of Sphericity	Approx. Chi-Square	361.210
	Df	126
	Sig.	.000

### Procedure

The participants understood that the questionnaire had been designed to gather information about the present study and that any information given would remain confidential. Participants were asked to rate their leaders and their own job satisfaction. Post hoc test was conducted in later analysis. To rectify the influences of transformational leadership on job satisfaction, it is essential to control age, sex, years of service.

### Analysis and result

As a result, the Inter class correlation coefficient obtained values of .81 and .80 were deemed highly reliable for leadership and job measures, respectively, so the data is appropriate for our study. The results of statistical and post hoc testing for common source bias were not considered, since no single factor emerged from the analysis and since the first factor accounted for 36.4% of the variance.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.787 <sup>a</sup>	.619	.616	.14700
a. Predictors: (Constant), TL				

Here, the adjusted R<sup>2</sup> = .61 was obtained for the models, which contained the original scales of influence of the leadership on job satisfaction. It indicates that job satisfaction is well influenced by the transformational leadership. Multicollinearity was not considered. The Variance Inflation Factor and Tolerance scores ranged from 1.00 to 1.15. Outliers were tested by measuring the Cook's Distance and leverage values; they ranged from 0.00 to 0.33 (M = 0.01, SD = 0.02) meaning that there were no unusual data. While coming to the Karl Pearson correlation showing a high positive correlation between the variables such as overall transformational leadership and overall job satisfaction. By this we can say that the transformational leadership having a great influence on job satisfaction.

Correlations			
		OTL	OJS
OTL	Pearson Correlation	1	.787**
	Sig. (2-tailed)		.000
	N	209	209
OJS	Pearson Correlation	.787**	1
	Sig. (2-tailed)	.000	
	N	209	209
**. Correlation is significant at the 0.01 level (2-tailed).			

Hence it's observed that transformational leadership directly influences the employees job satisfaction level. In this scenario, employee excels in the work, as he feels confidence because of the trust and emotional support he gains from the leader where by the lacunas faced by him in his job are overcome. It's further learnt that with such working environment it paves way for reducing attrition rate and absenteeism. Keeping apart these entire aside, this leadership style tries to groom the employee and in-

stil the vision of the organization into the minds of the employees. In this scenario leaders tries to maintain a high relationship and high task position as per Hersey and Blanchard model. When relationship is high, it gives a window for them to discuss their views, clarify their thoughts which enable to enhance their efficiency and effectiveness. This ultimately leads to satisfaction of their job filing which, when in transactional mode, the level of relation will be low. When low the employees will operate with hidden facade quadrant as per Johari window. And in turn lead to low job satisfaction and low productivity.

Transformational leaders provide extraordinary motivation by appealing to follower's ideals and moral values and inspiring them to think about problems in new ways. A leader can motivate followers by making them more aware of the importance and value of their tasks and the need to place them ahead of their own self-interests. Transformational leaders influence rests on their ability to inspire others through their words, visions and actions. In essence, transformational leaders make tomorrow's dreams a reality for their followers

In general supervisors need to acquire and use their empathy and social skills competencies to enhance their own transformational leadership. Therefore, the challenge for a contemporary organization is to enhance emotional intelligence of their managers. Appropriate interventions may be needed to enhance their social competencies that would involve education and specific job-related training. Managers should also be encouraged to enhance their skills through continuous self-learning. Organizations should provide positive reinforcements for learning and improving managers' essential emotional competencies, motivation and empowerment tools needed for specific jobs. Organizations may have to adapt the policy of recruiting managers with vision and charisma who are likely to be high on EQ. There should also be appropriate changes in the organization design that would require creating flatter, decentralized and less complex structures. Also there should be appropriate changes in organizational culture that provides rewards for learning new competence and continuous questioning and inquiry. As we had observed autonomy paves way for creative thinking and in turn enable to achieve the desired target by the employee. Further recognition for the task accomplished gets him recognition and in turn a feeling of job satisfaction.

### Conclusion

It's felt that organizations adopting transformational leadership style create a conducive organizational climate, which facilitate in transforming the employees to the desired expectations. In turn enhances employee's level of job satisfaction. Our study contributes to the body of knowledge transformational leadership and job satisfaction by revealing the extent to which transformational leadership is associated with job satisfaction for organizational innovation through the mediating role of a competitive, performance-oriented organizational culture. The evidence in this study suggests that transformational leadership is associated with organizational culture, primarily through the processes of articulating a vision, and to a lesser extent through the setting of high performance expectations and providing individual support to workers.