THE IMPACT OF TRANSFORMATIONAL LEADERSHIP ON SUBORDINATE JOB SATISFACTION

by

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Most importantly, I would like to dedicate my work to my late parents

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Lastly, but not least, to God whose guidance has got me where I am today.
DECLARATION

I, the undersigned hereby declare that this dissertation "The impact of transformational leadership on subordinate job satisfaction" is my own work, and that all the sources I have used and quoted have been indicated and acknowledged by means of complete references.

V BALGOBIND

27/11/2002
DATE
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SUMMARY

The aim of the study was to determine the impact of transformational leadership styles of managers on subordinates' job satisfaction, in a steel and mining company. Leadership was conceptualised from the trait, behavioural, contingency and neocharismatic theories. Job satisfaction was derived from content and process theories. The literature highlighted leadership and job satisfaction theories, the changing context of leadership and research of both transformational leadership and job satisfaction.

The study was exploratory and a random sample (N=126) was used. The Multifactor Leadership Questionnaire was used to measure transformational leadership and the Job Satisfaction Survey was used to measure subordinate job satisfaction.

The results indicated that there was a significant impact of transformational leadership styles of managers on subordinates' job satisfaction, more specifically, in terms of fringe benefits and pay dimensions of job satisfaction, as well as the biographical variable, age.

Future research may include transformational leadership styles and other variables such as performance and productivity in the steel and mining industry.

KEY TERMS

Transformational leadership; transactional leadership; job satisfaction.
The study focuses on transformational leadership and job satisfaction. This chapter presents a theoretical background and the aims of the study, the approach to the study, research design and research methodology.

1.1 BACKGROUND TO AND MOTIVATION FOR THE STUDY

The future existence of South African organisations is determined to a large extent, by their ability to adapt to continuous change, through becoming learning organisations that are able to foster new ways of thinking, generating new visions for the future and continuous learning opportunities (Van Rensburg & Crous, 2000). Their sustained growth and prosperity of organisations into the next decade will be attained by organisations that realise the role of leadership in business performance through people (Brand, 1997). Business environments become increasingly competitive and complex. Organisations must be alert and flexible to remain competitive. Complacency in an organisation can lead to inertia. When an organisation is in need of a strategic turnaround, leaders play a vital role (Landrum, Howell & Paris, 2000).

According to Brand (1997), effective leadership is a critical success factor for future growth in South Africa. The sooner this crucial statement saturates the minds of leaders and managers, the better it will be for this country, its economy and its people. Leadership has never been easy in South Africa’s changing political circumstances, but the changes taking place in the global and national business environment and within organisations is making leadership even more challenging and an absolute necessity for future business survival. Socio-political changes since 1991 have moved South Africa from a paternalistic to a democratic society. This has had an impact on employee/manager relations in organisations (Bass, 1994).
While companies race towards new levels of competitiveness, South African companies are still accursed by unwanted forces of the old. It may be understandable that while organisations endeavoured to enhance performance and competitiveness, leadership development did not appear to be a priority at managerial level (Brand, 1997). Diversity is a key issue in the South African environment. The complexity of different cultures requires leaders who will be able to deal with different cultures, different political viewpoints, complex prejudices and various literacy levels. The alignment of the workforce to the organisation’s culture and values will challenge the best of leaders (Bass, 1994).

According to Gilmore (1988), the rate of change in the wider society is accelerating. This is in an era where change is not simply a manifestation of a transition from one period of stability to another, but endemic. As the world becomes more complex and interdependent, and as the pace of change quickens, it becomes increasingly dependent on authentic leaders who can guide society’s organisations through the adaptation that is needed to ensure continued vitality.

Judson (1991) defines change as any alterations to the status quo in an organisation initiated by management that impact on either or both the work and the work environment of an individual. The purpose of any change is to achieve certain objectives or outcomes. Every change process has an impact on people and their work behaviour. The manner in which the change is introduced and implemented also influences the attitudes of those involved.

As the business and political environment changes, so too do the knowledge, skills and attitudes required of those employees best positioned to interpret and influence future changes, namely managers. Managers need to redefine their roles, re-examine the functions they perform and the outcomes they achieve. This requires a change in their style of leadership...
by learning new interactive skills as well as extending their thinking skills (Maritz, 1995; Brand 1997).

According to Sharkey (1999), leadership development has been one of the fastest growing areas in organisational development since the 1980s. Global competition demands continuous renewal to improvement of the organisation. Leadership development must become a strategic leverage area to global demands and will also impact on the success of the organisation. This will also have an impact on the success of leadership training, forming the way people think, feel and act (Csoka, 1996; Brand 1997).

1.2 ORGANISATIONAL BACKGROUND

The company under investigation is the largest iron and steel producer on the African continent. Since its inception, the company diversified its activities into strategically-related fields, such as mining, to support its core business. The organisation's key focus is to become an internationally recognised company to a large extent on human capital. Human capital is recognised as one of the greatest assets to the company. Thus, leadership and, more specifically, transformational leadership have been introduced in the organisation at managerial level. The introduction of the transformational leadership programme is part of the organisation's broader change process strategy. The organisation is using "Full range leadership development" introduced by Bass and Avolio's (1990) transformational leadership programme.

The aim of the programme is to introduce transformational leadership styles of behaviour at managerial level. Since the introduction of this programme, managers have tried to adopt this type of leadership styles when managing their subordinates. In order to make managers aware of the full range of leadership styles and, more specifically, transformational leadership styles, a two-day workshop was held in different departments in the organisation.
Three issues, in transformational leadership styles and the training concern the organisation. Firstly, in order to train managers, they have to be removed from the environment, which can be time consuming. Secondly, it is very costly to provide the training. Thirdly, there is the issue of subordinate satisfaction with regard to the impact of the transformational leadership styles or behaviours adopted by managers.

1.3 PROBLEM STATEMENT

Leadership management in the organisation is moving towards the trend of transformational leadership. The question is whether transformational leaders do make a difference in leadership development as well as subordinate job satisfaction and individual development.

Bass, Bennis and Nanus; Conger; Conger and Kanungo; Rouche, Baker and Rose; Tichy and Devanna (as cited in Pawar & Eastman, 1997) studied transformational leadership’s behavioural aspects and their effects on subordinates and organisations.

According to Hater and Bass (1988), considerable research has been done on the exchange relationship between leader and subordinate. However, the concept of transformational leadership is based on strong personal identification and going beyond a self-interested exchange of rewards between leader and subordinate.

The following questions need to be answered therefore:

(1) What is transactional and transformational leadership and what are its components?
(2) What is job satisfaction and what are the dimensions of job satisfaction?
(3) What is the theoretical relationship between job satisfaction and transformational leadership?
(4) What is the impact of managers’ transformational leadership style on job satisfaction of subordinates?
(5) What recommendations can be formulated from the results?
1.4 AIMS OF THE STUDY

1.4.1 General Aim
The general aim of the study was to determine the impact of transformational leadership on subordinate job satisfaction.

1.4.2 Specific Aims
The specific aims of the study were to:

1. define transactional and transformational leadership and its components
2. define job satisfaction and the dimensions of job satisfaction
3. determine the theoretical relationship between job satisfaction and transformational leadership
4. determine the influence of managers' transformational leadership style on job satisfaction of subordinates
5. formulate recommendations regarding transformational leadership and job satisfaction

1.5 THE PARADIGM PERSPECTIVE

The research is a part of the discipline of industrial psychology and the sub discipline of organisational psychology.

According to Neuman (1994), most ongoing social research is based on positivism and interpretive social science. A specific approach is linked to different traditions in social theory and different research techniques. An approach is like a research programme, research tradition or scientific paradigm. A model includes its basic assumptions, important questions to be answered or problems to be solved, and the research techniques to be used (Mouton & Marais, 1990).

The study adopted a humanistic approach to leadership and, more specifically, transformational leadership and job satisfaction. Humanism originated in America and became known as the Third Force in psychology
(Theron, 1999). It focuses mainly on the positive aspects of conscious mental activities, incorporating people striving for psychological growth, self-actualisation and autonomy.

According to Meyer, Moore and Viljoen (1989), the following are basic assumptions of a humanistic approach:

1. The individual acts as an integrated whole;
2. The individual is a being who has a higher spiritual dimension and displays other characteristics such as emotions, growth and creativity;
3. The individual displays conscious processes;
4. The experiencing person is in the process of becoming; and
5. The person is self-reflective and transcending.

According to Cilliers and Koortzen (as cited in Theron, 1999), this approach is also applicable in the work situation. Industrial Psychology and its emphasis on human resources development traditionally operate within a humanistic framework in that it incorporates consciousness as an explanatory concept.

The empirical study focuses on measuring the two variables namely, transformational leadership and job satisfaction. This will be presented from the functionalistic paradigm.

Functionalism tries to explain phenomena in terms of their functions, that is the uses they fulfil. This approach sees people's behaviour (or how they function) in the context of concrete and tangible social relationships (Morgan, 1980).

1.6 RESEARCH DESIGN

Sellitz (as cited in Mouton and Marais, 1990, p. 32), research design is defined as "the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure".
According to Mouton and Marais (1990, p. 33), “the aim of a research design is to plan and structure a research project in such a manner that the eventual validity of the research findings is maximized”.

Research design is therefore synonymous with rational decision-making during the research process. Irrespective of how structured or unstructured the research project is likely to be, it is the duty of the researcher to ascertain which general nuisance variables may render the results invalid and to take every possible step to ensure that these factors are either minimized or eliminated (Mouton & Marais, 1990).

In order to understand the dynamics of the study, it is imperative to establish research variables. The independent variable is defined as the variable that influences the dependent variable in either a positive or negative way (Sekaran, 1992). For the purpose of the study the independent variable was transformational leadership.

The dependent variable is defined as a variable of primary interest to the researcher. The researcher’s goal is to predict or explain the variability in the dependent variable (Sekaran, 1992). For the purpose of the study the dependent variable was job satisfaction.

The study was exploratory. The use of quantitative data is most appropriate for exploratory research. Structured questionnaires were used as the data collection method. For the purpose of the study the unit of analysis was the individual.
RESEARCH METHODOLOGY

The research will be discussed in two phases.

Phase 1: Literature

Leadership
A literature review on leadership, theories of leadership and transactional and transformational leadership will be discussed.

Job satisfaction
A definition of job satisfaction and the dimensions of job satisfaction will be discussed as well as approaches and research of job satisfaction.

The impact of transformational leadership on subordinate job satisfaction
A theoretical integration will be given between transformational leadership and subordinate job satisfaction.

Phase 2: Empirical Study

Population and sample
The researcher then concluded an empirical study of the organisation, by determining the population and sample and presenting the characteristics of the sample.

Data collection techniques
The appropriate measuring instruments will be used to measure the constructs.

Data collection
The collection of the data is discussed and the procedure thereof.

Data Analysis
The statistical process of the data will be discussed.

Interpretation of the empirical results
The results and interpretation of data will be discussed.
Integration of the literature review and the empirical study
The interpretation of the results regarding the literature review and the empirical research will be discussed.

Conclusion of the study
The conclusion of the attained results is formulated with regards to the aims of the research process.

Limitations of the study
Limitations are discussed with regards to the literature review and the empirical study.

Recommendations
Recommendations are formulated in terms of the literature and future research of transformational leadership and job satisfaction.

1.8 CHAPTER DIVISION
In Chapter 2 leadership and the theories of leadership will be discussed. Chapter 3 deals with job satisfaction. Chapter 4 will discuss the empirical research, the population sample and the questionnaires. Chapter 5 will discuss the data analysis and findings. Chapter 6 will discuss the conclusion and limitations and recommendations of the study.

1.9 SUMMARY
This chapter discussed the background to the study, the problem statement, the aims of and the paradigm perspective to the study, the research design, research methodology and chapter divisions were presented.

Chapter 2 will discuss leadership, the leadership crisis and transactional and transformational leadership.
CHAPTER 2 LEADERSHIP

2.1 INTRODUCTION

This chapter examines leadership especially transactional and transformational leadership. It defines leadership, briefly discusses theories to leadership, presents a model of transactional and transformational leadership, compare the two, and discusses research on transformational leadership.

2.2 THE LEADERSHIP CRISIS

According to Covey (1996, p. 149),

"The leader of the future, the next millenium, will be one who creates a culture or a value system centered upon principles. Creating such a culture will be a tremendous and an exciting challenge in this new era and will only be achieved by leaders, who have the vision, courage and humility to constantly learn and passion for learning – learning through listening, seeing emerging trends, sensing and anticipating needs in the marketplace, evaluating past successes and mistakes will have enduring influence. Such leaders will not resist change, but embrace it."

A major factor in the success of an organisation is leadership. Dynamic and effective leadership involves creating and articulating a vision and plan ensuring companies are focused on the customer, and creating the necessary environment for employees to do their best work and be innovative (Bemowski, 1996; Covey, 1996).

The traditional view of leaders – as special people who set the direction, make the key decisions and energise the troops – is deeply rooted in an individualistic world view. However, leaders in learning organisations require new skills and the ability to build a shared vision. Thus, leaders in learning
organisations are responsible for building organisations where people are continually expanding their capabilities to shape their future – that is, leaders are responsible for learning (Senge, 1990).

According to Conger (1992), a tragedy of management today is the lack of leadership in many organisations. The ability and desire to lead are often lacking because of a lack of opportunity and investment in the process and rewards that foster growth. Instead of tapping, developing and encouraging these leadership skills, many organisations discourage their benign neglect of “managing” and concern to preserve the status quo. They pay the price of lost leadership potential and thus organisational effectiveness.

There has historically been a belief in a universal manager who could adapt to any change. Different leaders have different characteristics and the leader should be matched to the organisation’s needs (Landrum et al, 2000).

The problem is also one of focus. Companies have devoted much energy to training managers – that typically offer simple leadership models with feedback sessions to provide managers with greater self-awareness on a range of “leadership” dimensions. This approach has serious flaws. Many training programmes called leadership are actually “managership” and perpetuate administrative rather than leadership skills (Conger, 1992).

Another problem is that many organisations stop the training programme mainly based on the assumption that a week-long session on leadership will turn people into leaders. However, to develop a leader takes more than a week-long training programme. Therefore, companies must begin leadership development at the point of recruiting and must encourage expressions of leadership. Companies must take a more integrated, lifelong approach if they are to begin tapping the potential of today’s managers. They must use the many experiences managers face in their careers as opportunities to train and promote leadership (Conger, 1992).
Given the increasingly turbulent and challenging nature of the business environment, characterised by rapid technological change, global competition, deregulation of markets and new consumer aspirations and expectations, there is a growing need for a new breed of manager. Managers must not only be competent in managing but also in exercising leadership (Sadler, 1992).

Interest in leadership development appears to be at its zenith. One indicator of this interest is seen in survey results highlighting the increased attention and resources given to leadership development. Many organisations are viewing leadership as a source of competitive advantage and investing in its development accordingly (Day, 2001).

According to Maritz (1995), some leaders believe that the performance of an organisation depends on the quality of its personnel, but this is a flawed premise, because in reality, it is the quality of the organisation’s leadership that dictates whether or not the talents and commitment of its people become manifested and expressed in the work of the organisation.

2.3 DEFINING LEADERSHIP

There are different definitions of leadership. Leadership has been defined in terms of individual traits, behaviour, influence over other people, interaction patterns and role relationships (Yukl, 1989).

Robbins (2000), defines leadership as the ability to influence a group towards the achievement of goals. Kouzes and Posner (1995, p. 30) define leadership as “the art of mobilising others to want to struggle for shared aspirations”.

Tannenbaum, Weschler and Massarik (as cited in Yukl, 1989) define leadership as the interpersonal influence exercised in a situation and
directed through the communication process towards the attainment of a specified goal or goals.

Hersey, Blanchard and Johnson (2001) define leadership as when one person attempts to influence the behaviour of an individual or group. It may be for one’s own goals, the goals of others, and these goals may or may not be congruent with organisational goals.

This study worked on Tannenbaum, Weschler and Massarik’s (as cited in Mullins, 1999) definition of leadership as the influence of people (leaders) on the behaviour of other people, directed through a communication process, for the attainment of specific goals. Leaders motivate people in various ways by articulating the organisation’s vision, involving people in decision-making in the organisation and supporting people to enhance their self-esteem.

2.4 APPROACHES TO LEADERSHIP

According to Robbins, there are three key approaches to leadership theories namely, the trait theory, behavioural theory and contingency theory.

2.4.1 Trait Theory

Until the mid 1940’s, leadership research was based largely on the trait theory, which maintained that traits were inherent. Later, however, it was suggested that traits could be acquired through learning and experience (Marriner-Tomey, 1996).

According to Marriner-Tomey (1996), the trait theory expanded knowledge about leadership but was not without its flaws. It is not clear which traits are most important, which are needed to acquire leadership, and which are needed to maintain it.
Andriessen and Drenth (1998) point out that the theory of leadership traits was based on the assumption that leaders possess certain personal qualities, such as courage, intelligence, strength of character, vision or charisma, which their followers do not possess. These characteristics were seen to be fixed, largely inborn, and applicable across situations (Hersey et al., 2001).

Trait theories of leadership sought personality, social, physical, or intellectual traits that differentiated leaders from non-leaders (Robbins & De Cenzo, 2001). Cacioppe (1997) states that recent studies have found six traits that differentiate leaders from non-leaders, namely, honesty and integrity, high energy level, ambition and the desire to lead, intelligence, self-confidence and task-relevant knowledge.

2.4.2 Behavioural Theory

Behavioural approaches to leadership occurred from the 1940s to the 1960s. (Hersey et al., 2001).

According to Robbins & De Cenzo (2001), behavioural theories of leadership claim that specific behaviours distinguish effective leaders from ineffective leaders. Two of the most popular studies are:

(1) Ohio State University Studies

The most comprehensive behavioural theories resulted from research conducted at the Ohio State University into independent dimensions of leader behaviour. The Ohio study identified two dimensions,

(a) Initiating structure, which is the extent to which leaders are likely to define and structure their role and those of subordinates in the search for goal attainment.

(b) Consideration, which is the extent to which leaders are likely to have job relationships characterised by mutual trust, respect for subordinates ideas, and regard for their feelings.
Leaders high in initiating structure and consideration tend to achieve high subordinate performance and satisfaction (Robbins, 2000).

**University of Michigan Study**

According to Robbins and De Cenzo (2001), this study was very similar to the Ohio State and identified behavioural characteristics of leaders that were related to performance.

The Michigan study identified two dimensions of leadership behaviour, namely, employee-oriented and production-oriented.

(a) **Employee-oriented** leaders emphasise interpersonal relations in the needs of their employees and accept individual differences among members (Robbins, 2000). They feel that every employee is important and take an interest in everyone's individuality and personal needs (Hersey et al, 2001).

(b) **Production-oriented** leaders emphasise the technical or task aspects of the job and are concerned with accomplishing their group's tasks, and regard group members as means to that end (Robbins & De Cenzo, 2001).

**The Managerial Grid**

In 1964 Blake and Mouton developed a two-dimensional view of leadership styles known as the managerial grid. The managerial grid was based on the styles of “concern for people” and “concern for production”, which essentially represented the Ohio dimensions of consideration and initiating structure and the Michigan dimensions of employee orientation and production orientation. Behavioural studies have had modest success in identifying consistent relationships between leadership behaviour and group performance (Blake & Mouton, 1964).

Both trait and behavioural approaches provided insight into and helped people to understand the dynamics of leadership. Trait approaches consider personal characteristics in a leader that may be important in achieving success in a leadership role. Similarly, behavioural approaches...
attempt to specify effective leadership. However, trait and behavioural approaches fail to take into account the interaction between people, tasks and environments (Ivancevich & Matteson, 1999).

2.4.3 Contingency Theory

According to Robbins (2000), predicting leadership success is more complex than isolating a few traits or preferable behaviours. The failure to obtain consistent results led to the focus on situational influences.

Fiedler's leadership contingency theory

In 1967, Fiedler developed "The Leadership Contingency" theory, which proposed that effective group performance depends upon a proper match between leaders' style of interacting with their subordinates and the degree to which the situation gives control and influence to the leader. Fiedler believed that a key factor in leadership success is the individual's basic leadership style (Marriner-Tomey, 1996).

Leadership style is measured by the least preferred co-worker scale (LPC), which assesses the degree of positive or negative feelings people hold towards others whom they least prefer to work for (Ivancevich & Matteson, 1999).

Once an individual's leadership style has been assessed by the LPC, it is necessary to match the leader and the situation. Fiedler (1967) identified three factors which determine how favourable the leadership environment is, or the degree of situational favourableness:

(a) *leader-member relations*, which refers to the degree of confidence, trust and respect, the followers have in their leader

(b) *task structure*, which refers to the degree to which the job assignments are procedurised
position power, which refers to the degree of influence the leader has over power variables, such as hiring, firing.

With knowledge of an individual's LPC and an assessment of the three contingency variables, the Fiedler model proposed matching them up to achieve maximum leadership effectiveness. Based on his research, Fiedler (1967) concluded that task-oriented leaders tended to perform better in situations that were very favourable to them rather than in situations that were very unfavourable.

According to lvancevich and Matteson (1999), Fiedler did not believe that leaders could be trained successfully to change their preferred leadership style. He saw changing the favourableness of the situation as a better alternative.

Fiedler's model has been criticised for the questionable measurement and low reliability and validity of the LPC, and for not have precisely defined variables. Other researchers have criticised the fact that the variables are not precisely defined. Despite these criticisms, Fiedler's contingency model has made a significant contribution to the study and application of leadership principles, specifically focusing on the situational nature of leadership (Ivancevich & Matteson, 1999).

(2) Hersey and Blanchard's situational theory
Situational theories became popular in the 1950s. Hersey and Blanchard's leadership model gained a strong following among management specialists. This situational leadership theory depicts how leaders should adjust their leadership style to reflect what followers want.

Situational leadership is a contingency theory that focuses on the followers. Successful leadership is achieved by selecting the right leadership style. The emphasis on the followers in leadership effectiveness reflects the reality that it is they who accept or reject the leader. Regardless of what leaders
do effectiveness depends on the actions of their followers (Robbins & De Cenzo, 2001).

The emphasis of situational leadership theories is on followers and their level of maturity. Leadership style that fits the level. Readiness is thus defined as readiness and willingness of followers to take responsibility for directing their own behaviour (Ivancevich & Matteson, 1999).

Hersey and Blanchard used the Ohio State studies to further develop four leadership styles:

(a) Telling. The leader defines the roles needed to do the job and tells followers what, where, how and when to do the tasks.

(b) Selling. The leader provides followers with structured instructions, but is also supportive.

(c) Participating. The leader and followers share in decisions of how best to complete a high-quality job.

(d) Delegating. The leader provides little, specific, close direction or personal support to followers.

By determining the followers' readiness levels, leaders can choose from among the four leadership styles. By using the readiness indicator with the four-style model, leaders can conceptualise what is best for their followers (Ivancevich & Matteson, 1999).

In response to criticism, Blanchard later revised the original model so that the focus revolved around task behaviour and relationship behaviour. Task behaviour is defined as the extent to which leaders are likely to organise and define the roles of the followers of their group and to explain the activities that need to be done. Relationship behaviour is defined as the extent to which leaders are likely to maintain personal relationships between themselves and their followers, by open communication and by providing support (Hersey et al, 2001).
Hersey and Blanchard were criticised for the limited testing of the model and failing to provide significant evidence of the predictions that could be made with the model and which style is best. Despite the criticism, the model is well accepted in organisational environments and is thought to be practical and useful in training efforts to test and support the theory (Ivancevich & Matteson, 1999). Research efforts to test and support the theory are very disappointing, due to possible inconsistencies in methodological tests on the model, as well as problems with research methodology with tests on the theory (Robbins, 2000).

(3) House's Path-Goal Theory

In 1971 House developed the path-goal theory, a contingency model of leadership, that extracts key elements from the Ohio State leadership research of initiating structure and consideration. The theory focuses on leaders’ task of assisting subordinates in attaining their goals and providing the necessary direction and or support to ensure that their goals are compatible with the overall objective of the group or organisation (House, 1971).

According to the path-goal theory, a leader’s behaviour is acceptable to the subordinates to the degree that they perceive it, as an immediate source of satisfaction or as a means of future satisfaction (House, 1971). House called it the path-goal theory because it focuses on how leaders influence their followers’ perceptions of work goals, self-development goals, and paths to goal attainment (Ivancevich & Matteson, 1999).

The path-goal theory proposes two types of situational or contingency variables that moderate the leadership behaviour-outcome relationship, namely the environment pressures and demands, and the subordinates’ personal characteristics with which they must cope in order to accomplish work goals and drive satisfaction. Environmental factors determine the type of leader behaviour required as a complement if subordinate outcomes are
to be maximised, while subordinates' personal characteristics determine the
environment and leader behaviour (Robbins, 2000).

According to Hersey et al. (2001), the path-goal theory attempts to predict leadership effectiveness in different situations. Leaders are effective because of their positive impact on followers' motivation, ability to perform and satisfaction.

House's approach suggests that the leader's job is to increase the payoffs to workers for achieving their goals. The leader does this by clarifying the path to these goals, by removing blockages that prevent workers from reaching their goals and by behaving in a way that will increase worker satisfaction while they are achieving those goals. This theory provides insight into some things leaders can do in order to increase employee satisfaction (Robbins & De Cenzo, 2001).

According to the path-goal theory, leaders' behaviour will be motivational to the extent that it coordinates cope with the environmental uncertainties. Leaders who are able to reduce the uncertainties of the job are considered to be motivators because they increase the subordinates' expectations that their efforts will lead to desirable rewards (Ivancevich & Matteson, 1999).

Contingency models suggest more complex diagnosis of the situation at hand, and more complex leadership interventions. Situational or contingency approaches reflect the belief that there is a relationship between employees' satisfaction and performance, and their environments (Robbins, 2000).

2.4.4 Neocharismatic theories of leadership

According to Robbins (2000), neocharismatic theories of leadership have three common themes. Firstly, they stress symbolic and emotionally appealing leader behaviours. Secondly, they attempt to explain how certain
leaders are able to achieve extraordinary levels of follower commitment. Thirdly, they de-emphasise theoretical complexity. This study used two of these theories, namely:

(1) Charismatic leadership theory
(2) Transactional and transformational leadership theory

2.4.1 Charismatic leadership theory

Robbins (2000) identifies charismatic leadership theory as an extension of the attribution theory. This theory implies that followers make attribution of heroic or extraordinary leadership abilities when they observe certain behaviours. According to Wills (1996) charisma refers to the ability of leaders to exercise overt or covert influence over the behaviours, values, beliefs and performance of others, through their own behaviour, beliefs and personal example. Conger and Kanungo (as cited in Yuki, 1989) developed a theory of charismatic leadership based on the assumption that charisma is an attributional phenomenon. Followers attribute certain charismatic qualities to leaders based on their observations of the leaders' behaviour. According to Howell and Frost (as cited in Testa, 1999), charismatic leaders obtain their effects by vividly articulating a transcendent goal which clarifies or specifies a mission for followers and communicates values that have ideological significance for them.

According to Schermerhorn, Hunt and Osborne (1998), charismatic leaders have a strong need for power, feelings of self-efficacy and convictions in their moral rightness of their beliefs. The need for power motivates these people to want to be leaders.
According to this theory charismatic leaders increase the intrinsic valence of efforts and goals by linking them to valued aspects of followers' self-concepts. Charismatic leaders, by their verbal and symbolic behaviour, raise the salience of values and collective identities in followers' self-concepts and articulate the goals and required efforts in terms of those values and identities. Through such actions, charismatic leaders make efforts and goals more meaningful for followers and harness the motivational forces for self-expression, self-consistency, self-expression and self-worth (Shamir, Zakay, Breinin & Popper, 1998).

According to Hughes, Ginnett and Curphy (1993), some of the characteristics of charismatic leaders are:

1. Leader characteristics
2. Vision;
3. Rhetorical skills;
4. Image and trust building;
5. Personalised leadership.

Charismatic leadership can produce significant organisational change and results because it 'transforms' employees to pursue organisational goals in lieu of self interest, thus having a tremendous effect on members of an organisation (Mullins, 1999).

2.4.4.2 Transactional and transformational leadership theory

Up until the late 1980s, leadership theory, research, education and development concentrated on leadership as a transactional exchange between leader and followers. Changes in the marketplace and workforce since 1980 resulted in the need for leaders to become less transactional and more transformational if they were to remain effective. A new paradigm of transactional-transformational leadership was then introduced that better reflected the practices of the best leaders. The paradigm was enlarged to incorporate transformational, transactional and laissez-faire leadership as its observables (Bass, 1997; 1999).
According to Pawar and Eastman (1997), organisational development is possible and can result from various mechanisms. One of the most important mechanisms is transformational leadership, which can affect organisational development. Transformational leadership affects organisational development through the articulation of leaders' vision, the acceptance of the vision by followers and the creation of congruence between followers' self-interest and the vision. Transformational leadership is a response to a contemporary search for meaning and to increasing and rapid change. It considers the characteristics of the leader and manager and re-emphasises the leader or manager as the leader or manager shares with the group and stresses the importance of preparing people for change (Tappen, 2001).

Contrasting transactional leadership with transformational leadership does not mean that the models are unrelated. Transformational leadership can be viewed as a special case of transactional leadership in as much as both approaches are linked to the achievement of some goal or objective (Howell & Avolio, 1993). The transactional-transformational paradigm views leadership as either a matter of contingent reinforcement of followers by a transactional leader or the moving of followers beyond their self-interests for the good of the group, organisation, or society, by a transformational leader (Bass, 1997). The difference between the concepts is important because there is the implication that a leader can be both transactional and transformational (Bryman, 1992).

Bass (1985, 1999), viewed the transformational/transactional leadership paradigm as comprised of complementary rather than polar constructs. Transformational leadership style is viewed as complementary to the transactional style and likely to be ineffective in the total absence of a transactional relationship between leader and subordinate.

One of the most comprehensive leadership theories of organisational transformation is the theory of transactional and transformational leadership.
Burns (as cited in Eisenbach, Watson & Pillai, 1999) developed the initial ideas on transactional leadership. The most common form of effective leadership observed in organisations is referred to as transactional. Transactional leaders define and communicate the work that must be done by followers, how it will be done and the rewards followers will receive for successfully completing a stated objective. Goal clarification and goal acceptance are critical for a transactional leader (Avolio, Waldman & Yammarino, 1991; Bass & Avolio, 1990).

Bass (as cited in Bryman, 1992), maintains that the problem with transactional leadership is that it usually fails to raise subordinates’ performance beyond the leader’s and their own expectations. By contrast, transformational leaders motivate subordinates to commit themselves to performance that exceeds expectations.

According to Ivancevich and Matteson (1999), transactional leadership refers to the exchange role of the leader. The leader helps the follower identify what must be done, the leader takes into consideration the person’s self-concept and esteem needs. In using this type of leadership, the leader relies on contingent reward and on management by exception. It has been found that when contingent reinforcement is used, followers exhibit an increase in performance and satisfaction, followers believe that accomplishing objectives will result in them receiving desired rewards.

According to Schermerhorn et al (1998), transactional leadership involves daily exchanges between leader and subordinates and is necessary for achieving routine performance that is agreed upon between leaders and subordinates. These exchanges involve four dimensions: contingent reward which provides various kinds of rewards in exchange for mutually agreed upon goal accomplishment.
active management-by-exception which involves watching for deviations from rules and standards and taking corrective action.

Passive management-by-exception which involves the intervention of the leader only if standards are not met.

Laissez-faire management which involves abdicating responsibilities and avoiding responsibility.

Transformational leadership style inspires or motivates followers, gains commitment from followers, changes attitudes, beliefs, and goals of individuals, makes subordinates feel they are being treated in ways and communicates a new vision of the organisation (Avolio, Bass & Jung, 1999; Landrum et al., 2000).

Bass (1999) maintains that transformational leaders produce in their followers a higher:

1. salience of the collective identity in their self-concept;
2. sense of consistency between their self-concept and their actions on behalf of the leader and the leader's collective identity;
3. level of self-esteem and a greater level of self-worth;
4. similarity between their self-concept and their perception of the leader;
5. sense of collective efficacy; and
6. sense of "meaningfulness" in their work and lives.

Transformational leaders raise followers' propensity to extend greater effort in at least three ways. Firstly, they raise awareness about the importance of certain goals and the means for their attainment. Secondly, they induce followers to transcend their self-interest for the good of the organisation. And lastly, they stimulate and satisfy followers' higher-order needs, such as self-esteem and self-actualisation (Bryman, 1992).
According to Hater and Bass (1988) and Singer and Singer (1990), the transformational leader motivates followers to do more than originally expected. Such a transformation can be achieved by:

1. Raising an awareness of the importance and value of the designated values;
2. Getting followers to transcend their own self-interest; and
3. Altering or expanding followers' needs on Maslow's hierarchy of needs.

There are several differing yet complementary definitions of transformational leadership. Burns (1978) defines transformational leadership as the process of pursuing collective goals through the mutual tapping of leaders' and followers' motive bases towards the achievement of the intended change. Bass (1990) defines transformational leadership as superior leadership performance that occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the group's purposes and mission, and when they stir their employees to look beyond their own self-interest for the good of the group. Bennis and Nanus (as cited in Pawar & Eastman, 1997), state that transformational leadership occurs when leaders and followers raise one another to a higher level of motivation. Yuki (as cited in Hinken & Tracey, 1999) defines transformational leadership "as the process of influencing major changes in the attitudes and assumptions of organisation members and building commitment for the organisation's mission or objectives". Based on these definitions, transformational leaders create a dynamic organisational vision that often necessitates a metamorphosis in cultural values to reflect greater innovation (Pawar & Eastman, 1997).

For the purpose of the study, transformational leadership was defined as the leadership style of leaders or managers who create an environment conducive to enhancing followers' interests, in order to increase performance and job satisfaction. This type of leadership style also enables subordinates to become more innovative and motivated in the organisation.
Figure 2.1 represents the augmentation model of transactional and transformational leadership, showing the components of both styles.

![Diagram of transactional and transformational leadership](image)

**Transactional Leadership**
- Contingent reward
- Management-by-exception (active & passive)
- Loissee-faire

**Transformational Leadership**
- Idealised influence
- Intellectual stimulation
- Inspirational motivation
- Indivualised consideration

Figure 2.1 The augmentation model of transactional and transformational leadership (Bass & Avolio, 1997).
Transactional leadership comprises three components usually characterised as instrumental in followers' goal attainment, namely contingent. Transactional leadership depends on contingent reinforcement, either positive contingent reward or the more negative active or passive forms of management-by-exception. Transactional leadership comprises the following components:

1. **Contingent reward**
   Leaders engage in a constructive path-goal transaction of reward for performance. They clarify expectations, exchange promises and resources for support of the leader, exchange mutually satisfactory agreements and exchange assistance (Bass, 1998).

2. **Management-by-exception**
   (a) **Active**
   Leaders monitor followers' performance and take corrective action if deviations from standards occur. They enforce rules to avoid mistakes (Bass, 1998).

   (b) **Passive**
   Leaders fail to intervene until problems become serious. They wait until mistakes are brought to their attention (Bass, 1998).

3. **Laissez-faire**
Laissez-faire leadership is a nonleadership component, or the avoidance of leadership, where leaders avoid accepting their responsibilities, is absent when needed and resist expressing their views on important issues (Bass, 1997). According to Bass (1998), laissez-faire leadership style is the most ineffective and inactive style of leading and is strongly associated with subordinate dissatisfaction, conflict and ineffectiveness.

Transformational leadership comprises the following components:

1. **Idealised influence**
Bass and Avolio (1993) define idealised influence as followers' reactions to the leader as well as to the leader's behaviour. Followers identify with and
emulate these leaders are trusted and seen to have an attainable mission and vision. leaders consider the needs of others before their own personal needs, avoid the use of power for their personal gain, demonstrate high moral standards, and set challenging goals for their followers (Popper, Mayseless & Castelnovo, 2000). These leaders often have high self-confidence, self-esteem and self-determination and engender the trust and respect of their followers (Champoux, 2000).

Inspirational motivation

Leaders articulate an appealing vision of the future, challenge followers with high standards, talk optimistically with enthusiasm, and provide encouragement and meaning for what needs to be done (Bass, 1998). These leaders encourage their subordinates to achieve levels of performance beyond expectations. They do so by using stories and symbols to communicate their vision and message (Avolio, 1994; Kelloway & Barling, 2000).

Intellectual stimulation

Leaders question old traditions, traditions and beliefs, stimulate in others new perspectives and ways of doing things, and encourage the expression of ideas and reasons (Bass, 1998).

Intellectual stimulation is also helpful when the leader is attempting to maintain excitement and a high level of motivation among the workforce who prefer to have their opinions at least considered by the leader. Through intellectual stimulation, transformational leaders help followers to think about problems in new and unique ways. As a consequence of being intellectually stimulated by their leaders, followers develop their own capabilities to recognise, understand and eventually solve future problems (Avolio et al, 1991). Such leaders induce changes in the values and beliefs of their subordinates. They stimulate subordinates to imagine new and different future states for the groups (Champoux, 2000).

Individualised consideration
Champoux (2000) pointed out that a key component of individualised consideration is the degree to which leaders show genuine interest in their subordinates. These leaders treat employees as individuals, by being compassionate, appreciating and responding to their needs, and recognising and celebrating their achievements (Kelloway & Barling, 2000). Individualised consideration is practised when new learning opportunities are created, with a supportive climate (Bass, 1998). A key assumption of individualised consideration is that for a specific employee, those needs will change over time, based partially on the influence of the leader. Transformational leaders must be able to diagnose and evaluate the needs of all their followers and develop all of them to their optimal potential (Avolio et al., 1991).

There are several fundamental distinctions between transactional and transformational forms of leadership. Table 2.1 presents some of the characteristics that distinguish transactional and transformational leadership.

Leaders are aware of the link between effort and reward.

Leadership is responsive and its basic orientation is dealing with present issues.

Leaders rely on standard forms of inducement, reward, punishment and sanction to control followers.

Leaders motivate followers by setting goals and promising rewards for desired performance.

Leadership depends on the power to reinforce subordinates for their successful completion of the bargain.

Leaders arouse emotions in their people which motivates them to act beyond the framework of what may be described as exchange relations.

Leadership is proactive and forms new expectations in followers.

Leaders are distinguished by their capacity to inspire and to provide individualised consideration, intellectual stimulation and idealised influence to their followers.

Leaders create learning opportunities for their followers and stimulate followers to solve problems.

Leaders possess good visioning, rhetorical and management skills, to develop strong emotional bonds with followers.

Leaders motivate followers to work for goals that go beyond self-interest.

Burns (1978) states that transactional and transformational leadership are at opposite ends of the same leadership continuum. According to Bass (1985), transactional and transformational leadership are somewhat complementary and both can potentially be displayed by leaders. However, transformational leaders are more likely to be proactive than reactive in their thinking, more
innovative and novel in their ideas, more radical or reactionary than reforming and conservative in ideology and less inhibited in their search for solutions.

According to Basu and Green (1997), the root of transformational leadership lies in changing familiar ways of doing things, such as using unconventional strategies, recognising the need for change and managing the transition process. Burns (1978) and Bass (1985) identify leaders by their actions and the impact those actions have on other people. Successful transformational leaders usually provide a strong vision and a sense of mission, arouse strong emotions in followers and a sense of identification with the leader (Mullins, 1999).

According to Eisenbach, Watson and Pillai (1999), transformational leaders differ from transactional leaders, in that transformational leaders attempts to elevate the needs of the follower in line with their own goals and objectives. Transformational and charismatic leaders can successfully change the status quo in their organisations by displaying the appropriate behaviours at the appropriate stage of the transformational process. The transactional leaders however satisfying the followers current needs (Bass, Avolio & Goodheim, 1987).

Transactional leadership can be either passive or active. Passive transactional leadership, or management-by-exception, allows the status quo to exist as long as the old ways are working. Active transactional leadership, on the other hand, emphasises rewarding followers on achieving expected performance. Bass's conceptualisation of active transactional leadership is similar to the path-goal theory (Avolio, Waldman & Einstein, 1988; Bass, Waldman, Avolio & Bebb, 1987).

2.5 RESEARCH ON TRANSFORMATIONAL LEADERSHIP

According to Avolio et al (1991), transactional leadership is an effective means of maintaining and or achieving acceptable standards of performance. Transactional leadership can provide goal clarity and
acceptance of responsibility from followers. However, this style of leadership can only explain a small portion of what effective leaders do with their followers. Transactional leadership theory does not explain the specific processes involved in developing followers to their optimal potential.

On the other hand, research has shown that transformational leadership is exhibited to a greater degree at the top of the organisation, especially in organisations that select leaders based on their ability to change and improve the organisation (Avolio et al, 1991). Transformational leadership cascades from one organisational level to the next, which implies that transformational leaders either select transformational followers or develop them. Transformational leadership should not be viewed as a replacement but should rather add to other styles of leadership, expanding leaders' portfolio of skills. The new leadership does not replace the conception of exchanges of reinforcements by the leader's performance. Rather, the new leadership adds the role of the transformational leader in enlarging and elevating followers' motivation, maturity and sense of self-worth (Bass, 1997).

According to Hughes et al (1993), Bass's theory of transformational and transactional leadership believed that transformational leaders possessed charismatic leader characteristics. Bass (1985) used subordinates' perceptions or reactions to determine whether or not a leader was transformational.

The new paradigm of transformational and transactional leadership paralleled completion of more leadership research at the higher levels of organisations and intrinsic motivation. Whereas, the old paradigms of task-oriented or relations-oriented leadership, directive or participative leadership, and autocratic or democratic leadership and related exchange theories of leadership ignored effects of leader-follower relations of the sharing of vision, symbolism, imaging and sacrifice (Bass, 1997).
According to Howell and Hall-Merenda (1999), transformational and transactional leadership have differential effects on individual performance. Many studies have reported positive relationships between transformational leadership and follower performance.

Burns (1978) limits transformational leadership to enlightened leaders who appeal to positive moral values and higher-order needs of followers. In contrast, Bass (1985) defines a transformational leader as one who activates follower motivation and increases follower commitment, regardless of whether the benefits ultimately benefit followers. Bass (1985) emphasises that leaders who appeal to lower-order needs, such as safety, subsistence and economic needs, will not be excluded (Yukl, 1989).

According to Singer and Singer (1990), subordinate satisfaction and effective ratings had higher correlation with leader's transforming behaviour ratings than with transactional behaviour ratings. Hinken and Tracey (1994) confirm the effects of transformational leadership on perceived leadership effectiveness, subordinate satisfaction and the clarity on the direction and mission of the organisation.

Avolio and Bass; Bass; Bass, Avolio and Goodheim (as cited in Hater & Bass, 1988) found that transformational leadership is not uncommon in different organisational settings, nor is it limited to executives and world-class leaders. Some degree of transformational leadership has been practised at the most senior levels down to first level management in industrial settings, among students (Waldman, Bass & Einstein, 1987).

Champoux (2000), found positive relationships between transformational leadership and organisational performance. All dimensions of transformational leadership indicated positive relationships, although charisma evoked the strongest positive relationship.

The greater impact of transformational leadership on performance has been evident in numerous non-military settings. Managers who were rated by
their followers as exhibiting more transformational leadership were evaluated by their immediate supervisors as higher performers. Similarly, transformational leadership shown by managers in the financial industry in Canada was significantly and positively related to performance. Transactional leadership has also been shown with lower turnover rates, higher research and commitment, as well as greater overall organisational success (Bass & Avolio, 1990).

Kushell and Newton (1986) maintain that leaders do not affect subordinates' job satisfaction. According to Bass (1999), women tend to be more transformational than their male counterparts, thus accompanied by greater satisfaction and effectiveness according to their male and female subordinates. However, these results may be inconclusive, considering that the majority of the organisations studied were dominated by males.

According to Louw, Kushell and Sivasubramaniam (1996) found that subordinates in public organisations reported more frequent transformational behaviours by their leaders than subordinates in private organisations. Leaders in public organisations were described by their subordinates as exhibiting more management-by-exception behaviour compared to leaders in private organisations. No differences were indicated in the frequency of contingent reward behaviour demonstrated in public or private organisations. Subordinates of lower level leaders reported more frequent transformational behaviours by their leaders as compared to subordinates of high level leaders. No differences were indicated in the frequency of contingent reward behaviour demonstrated by low level and high level leaders.

Although transformational leadership theories contribute to understanding leadership effectiveness, their uniqueness is questioned (Yukl, 1999). Newer theories tend to ignore or discount earlier theory and research on leadership behaviour. Despite all the hype about a “new paradigm” of studying leadership, most of the research uses the same superficial
methods that have been prevalent for decades. Transformational leadership theories have made a significant contribution, but should not be heralded as a revolutionary approach that makes all the earlier theories obsolete.

Bycio and Carless (as cited in Kelloway & Barling, 2000) pointed out difficulties in the measurement of transformational leadership. Nevertheless, there is substantial empirical support for the effects of transformational leadership on both productivity and morale-related outcomes.

According to Bass and Avolio (1990), that transformational leaders are more effective than transactional leaders regardless of how "effectiveness" is defined or measured. Transformational leadership provides a distinct increment to leader effectiveness above and beyond transactional. A combination of the two, not the one versus the other, represents optimal leadership behaviour.

2.6 SUMMARY

Due to the changing nature of organisations, leadership is increasingly emphasised. Leadership is essentially a relationship in which one person influences the behaviour or actions of other people. The leader-follower relationship is reciprocal and effective leadership is a two-way process (Mullins, 1999).

Leadership style is the way in which the functions of leadership are carried out, and can be situational, contingency, transactional and transformational leadership (Robbins, 2000).

This chapter discussed and described leadership, theories of leadership, transformational and transactional leadership and current research on transformational leadership.

Job satisfaction will be discussed in Chapter 3.
3.1 INTRODUCTION

This chapter examines job satisfaction and its definition, theories of job satisfaction and transformational leadership.

3.2 BACKGROUND

Job satisfaction is determined by factors such as goal setting, job design, demographic profile, rewards, leadership and individual differences (Griffin & Bateman, 1986).

The notion that satisfied employees make a difference was derived from what was termed the "third industrial revolution", which began with the Hawthorne studies of the 1930's calling for the humanisation of the workplace. Designing "enriched" jobs that created employee satisfaction, as opposed to providing only a day's pay for a day's work, became part of the humanisation of the workplace. This development was based on the premise that "the workforce ensures long-term productivity if it is well cared for" and presupposed the desirability of having satisfied employees (Bruce & Blackburn, 1992).

Companies are grappling with a new organisational climate, with a need for improved productivity and performance. These changes have impacted on employee perceptions and morale. The need for employee satisfaction has become paramount to organisations in order to survive. It is now universally accepted that motivated and committed employees contribute significantly to and determine organisational success (Hofmeyr, 1997).

The supervisor plays a key role in the satisfaction and well-being of subordinates. Companies need to take the idea of a 'supervisor' or
"manager" more seriously, as someone who gives regular feedback and recognition, supports and develops subordinates and builds team work (Hofmeyr, 1997).

According to Thierry (1998), there are three approaches to satisfaction:

1. Satisfaction as the result of behaviour. This reflects people's evaluation of the outcomes produced in relation to needs, motives, values, or goals that are important to them.

2. Satisfaction as a component of the controlling and regulating system. This emphasises the extent to which the evaluation of the results causes the introduction of changes or possible improvements. People who are not satisfied with what they receive are motivated to go in search of improvements. On the other hand, if people are satisfied, they will strive to repeat the behaviour unless other motives become more dominant.

3. Satisfaction as a cause of behaviour. This emphasises behaviour that arises as a result of dissatisfaction. People who are dissatisfied with the outcomes produced and do not consider themselves capable of altering them, are more likely to strive for outcomes outside work or possibly in another organisation. By contrast, if people are happy with how much they can learn from their work, their feeling of involvement increases.

Employees and managers may have different reasons for wanting organisational conditions that foster job satisfaction. Today's employees are concerned with life values, fulfilment, a sense of wholeness, love, purpose, contribution and meaning. Just as the organisation expects optimum performance from its workers, employees have come to expect job satisfaction as a right (Smith, 1992).

3.3 DEFINING JOB SATISFACTION

There are various definitions of "job satisfaction".

Locke (1975) defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. According
to Robbins and De Cenzo (1998), job satisfaction is an employee's general attitude towards his or her job. Job satisfaction can also be considered a global feeling or attitude about various aspects or facets of the job (Spector, 1997).

Job satisfaction is an affective/cognitive reaction to a job that results from the incumbent's comparison of actual outcomes with those that are desired (Smith, 1992; Brief, 1998).

Thierry (1998), views job satisfaction as a concept that should be embedded in a model or theory of motivation of work behaviour because job satisfaction plays an integral role in motivation theories.

Job satisfaction encompasses aspects such as pay, supervision, benefits, promotion opportunities, working conditions, co-workers and organisational practices (Griffin & Bateman, 1986). Job satisfaction is associated with how well peoples' personal expectations at work are aligned with outcomes (McKenna, 2000).

Robbins (2000) and Thierry (1998), also define job satisfaction as peoples' general attitude towards their job. People with a high level of job satisfaction have positive attitudes towards the job, while people who are dissatisfied with the job have negative attitudes towards it. According to Arvey, Carter and Buerkley (1991), job satisfaction as an attitude involves specific beliefs about the job, behaviour with respect to it, and feelings about it.

Job satisfaction can also be defined as a predominantly positive attitude towards the work situation. Individuals may be dissatisfied with some aspects of their work and satisfied with others, but if they feel or think positively about relatively more aspects, it maybe deduced that there is a general factor that can be labelled job satisfaction (Theron, 1999).

For the purpose of this study job satisfaction was regarded as how people felt about their jobs and different aspects of their jobs. It can also be
assessed as either a positive or negative attitudinal response by an employee.

3.4 DIMENSIONS OF JOB SATISFACTION

According to Locke (1975), job satisfaction involves:

1. **work**, which is inclusive of intrinsic interests, variety, opportunity for learning and chances for success
2. **pay**, including amount, fairness and equity
3. **promotion**, including opportunities
4. **recognition** including raises for accomplishment and credit for work done
5. **benefits** which include pension, medical, annual leave and vacation leave
6. **working conditions** such as equipment, ventilation and location
7. **supervision** includes supervisory style and influence and human relations
8. **coworkers** including competence, helpfulness and friendliness
9. **company and management** which includes concerns for the employee

The cognitive, emotional and behavioural components of attitudes are also involved in job satisfaction. The following factors are conducive to job satisfaction (Mullins, 1999; Theron, 1999):

1. Mentally challenging work involving a fair amount of variety, freedom, utilising workers' skills and abilities and receiving feedback on their work.
2. Equitable rewards, such as pay and promotion policies and practices that workers perceive as fair, based on the demands of a job. Many people are prepared to work for less money if their work has other rewards.
3. Working conditions that are conducive to doing the job well, including safety and comfort, a clean environment and adequate equipment.
4. Working with coworkers and bosses who are friendly and supportive. Supervisors who facilitate job satisfaction show an interest in workers, offer praise for good performance and listen to workers' opinions.

O'Malley (2000) states that a satisfying job has three properties:

(a) It has intrinsically enjoyable features.
(b) It provides an opportunity for growth and development.
It makes employees feel effective in the execution of their duties.

According to Visser, Breed and Van Breda (1997), when one refers to employee-satisfaction certain common elements need to be recognised in defining these terms:

1. Employee-satisfaction is an attitude, or more simply a ‘feeling’ based on an evaluation of conditions of employment.

2. The reactions and perceptions are individualistic.

3. Thus, these attitudes are grounded in the particular content and context of employment and can be considered time bound as attitudes and situations can change. Therefore, employee-satisfaction can be defined as employees’ positive or negative attitude based on their evaluation of the content and/or context of their job at a particular time.

3.5 APPROACHES TO JOB SATISFACTION

According to Fincham and Rhodes (1999), there are two broad categories of job satisfaction theories namely content and process theories.

3.5.1 Content theory

Content theory is based on the premise that a similar set of needs can be attributed to all individuals (Fincham & Rhodes, 1999). These theories identify factors which lead to satisfaction or dissatisfaction (Staples & Higgens, 1998). Content theories focus on the needs and incentives that cause behaviour (Ivancevich & Matteson, 1999). This study used Maslow’s hierarchy of needs theory and Herzberg’s motivation theory.

3.5.1.1 Maslow’s Hierarchy of Needs Theory

Maslow’s (1970) five basic levels of needs are:

1. physiological needs, including food, hunger and thirst

2. safety needs, including freedom from physical threat and harm, security and stability

3. belongingness and love needs including affection, acceptance and identification
esteem needs, including prestige, self-respect

self-actualisation that is, people's basic tendency to become what they are capable of becoming; in other words, maximal realisation of their potential abilities.

3.5.1.2 Herzberg's Motivation Theory

According to Herzberg (1968), hygiene (or maintenance factors) are extrinsic to the job (e.g., salary, security, working conditions, and supervision) because they do not motivate people to perform better (increased productivity) but their absence leads to dissatisfaction. Motivating factors are intrinsic to the job (e.g., how interesting the work/job is and recognition) because they lead to positive motivation and increased productivity, while their absence does not necessarily lead to dissatisfaction (Fincham & Rhodes, 1999).

The underlying premise in Herzberg's approach is that increased job satisfaction is an important source of motivation and will lead to better performance because of its association with increased productivity and reduced staff turnover and absenteeism (McKenna, 2000).

3.5.2 Process Theory

According to Fincham and Rhodes (1999), process theory emphasises the differences in people's needs and the cognitive processes that create these differences. These theories attempt to describe the interaction between variables in their relationship to job satisfaction (Staples & Higgens, 1998). This study used the equity and the job characteristic theory.

3.5.2.1 Equity Theory

According to this theory, look around and observe what effort other people are put into their work and what rewards follow for them, and then compare this with themselves. This can then induce equity or inequity in people (Fincham & Rhodes, 1999).
Robbins (2000) states that when employees perceive inequity, they can be predicted to make a choice between six alternatives:

1. change their inputs
2. change their outcomes
3. distort their perceptions of self (self-perception)
4. distort their perceptions of others
5. choose a different referent
6. leave the field

Most studies on equity theory focus on pay as the basic outcome. Failure to incorporate the other relevant outcomes limits the impact of the theory in work situations. Despite its limitations, the equity model provides insight into explaining and predicting employee attitudes about pay (Ivancevich & Matteson, 1999).

3.5.2.2 Job Characteristic Theory

Job characteristic theory assumes that the causes of job satisfaction are found in the objective characteristics of a job. The five key concepts or dimensions of this theory are the foundations of job satisfaction and job characteristic research (Fincham & Rhoades, 1999).

According to this theory, jobs differ to the extent to which they involve five core dimensions:

1. skill variety
2. task identity
3. task significance
4. autonomy
5. task feedback

If jobs are designed so as to increase these core dimensions, employees experience the meaningfulness of work, responsibility for work outcomes and knowledge of results of work activities. According to this theory, individuals gain internal rewards when they learn (knowledge of results) that they personally (experience responsibility) performed well in a task that they
care about (experience meaningfulness). The more employees experience these three psychological states, the greater their motivation, performance and satisfaction (Robbins, 2000).

In considering any theory of job satisfaction, whether content or process oriented, the changing values and adaptations must be taken into account. It is understandable that job satisfaction involves matching individual’s needs, values and expectations to what the job offers.

3.6 RESEARCH ON JOB SATISFACTION

Research has shown that the concept of job satisfaction is an important part of psychology. This research has included studies on compensation, leadership style, work environment and organisational structure (Testa, 1999).

(1) Genetic factors
Arvey, McCall, Bouchard and Taubman (1994), found in their study of genetic factors and job satisfaction, that people’s disposition towards life and subsequently towards work, whether positive or negative, is created and sustained by their genetic inheritance. This indicates that genetic factors can account for more than thirty percent of job satisfaction.

(2) Personality dispositions
Strümpfer, Danana, Gouws and Viviers (1998), found that dispositions and job satisfaction are related and positive affectivity correlates stronger than negative affectivity.

(3) Gender
According to Lefkowitz (as cited in McKenna, 2000), while several studies in the US found women’s job satisfaction lower than their male counterparts, studies held in the UK found that women’s job satisfaction is higher than their male counterparts.
In a study done by Clark (1996), there is a definite existence of sex or gender discrimination in the British labour market. Men and women differ both in terms of the job that they do as well as their personal characteristics (eg. different qualifications and work longer hours than women). Also, women value work for different reasons, an example being that female employees find that the most important aspect of working is the work itself, as compared to their male counterparts who find pay as being the most important aspect of working.

Age

With regard to age, job satisfaction tends to increase with age (Clark, Oswald & Warr, 1996). It can be argued that dissatisfied older workers are more likely to leave through early retirement, whilst the ones who stay on in the organisation may enjoy their jobs. Another alternative could be that the older workers have spent more time in their careers and occupy jobs that are satisfying to themselves (McKenna, 2000).

Productivity and performance

If an organisation does not create conditions for minimal level of job satisfaction, the outcomes may be a deterioration in productivity, increased employee turnover and absenteeism, and morale (McKenna, 2000).

Research has shown that the link between job satisfaction and performance is weak. The two moderating variables that can improve the relationship between job satisfaction and job performance are job level and machine-paced work. With regard to job level and position in the hierarchy, the correlation between job performance and job satisfaction is stronger for employees in supervisory or managerial positions (Petty, McGee & Cavender, 1984). Laffaldano and Muchinsky (1985) found that job satisfaction and job performance are not highly correlated. However certain conditions namely contingency of rewards, the degree of stimulation in the workplace and organisational pressure, under which job satisfaction and job performance can be more strongly linked (Griffin and Bateman, 1986).
Turnover

Carsten and Spector (1987) found a moderate relationship between job satisfaction and employee turnover, which indicates that dissatisfied employees are more likely to quit their jobs than are their satisfied colleagues.

Lee and Mowday (1987) concluded that individuals who are satisfied with their jobs are less likely to leave the organisation than ones who are dissatisfied. Other variables such as, labour, market conditions, expectations of alternative job opportunities, and job tenure, can intervene in the relationship between job satisfaction and employee turnover. According to Hodgetts (as cited in McKenna, 2000), as job tenure increases, the employee turnover rate is likely to decline, irrespective of the level of job satisfaction. During periods of low unemployment and high opportunity, more dissatisfied employees will quit and the satisfaction-turnover correlation will be higher (Carsten & Spector, 1987).

Carsten and Spector (1987) maintain that the causes of turnover vary as a function of unemployment. In good economic times, dissatisfaction leads employees to seek other employment, whereas satisfaction causes them to remain. In poor economic times, both satisfied and dissatisfied individuals quit in equal numbers. People quit for reasons other than mere job satisfaction, such as to find better paying jobs, to return to school, or to pursue other personal interests. When jobs are plentiful, job satisfaction is a prominent consideration in turnover decisions. When jobs are scarce, considerations such as salary level, security and future prospects come into play.

Absenteeism

According to Steel and Rentsch (1995), there is an inverse relationship between job satisfaction and absenteeism, which implies that, when job satisfaction is low, absenteeism tends to be high. However, Clegg (1983) mentions that high levels of job satisfaction do not guarantee low levels of
absenteeism. The relationship between job satisfaction and absenteeism can be moderated by the importance of the job to employees, the opportunity to use a variety of skills in the job and the existence of good relationships with superiors (McKenna, 2000).

Leadership

According to Field and Dubey (1987), there is a significant relationship between leadership styles and job satisfaction. They found that the democratic leadership style significantly influences job satisfaction among supervisors and workers in service organisations. At the same time, leadership control has a reverse influence on job satisfaction among supervisors and workers.

Bartolo and Furlonger (2000) investigate the relationship between leader behaviour and job satisfaction. Previous studies according to Griffin and Bateman (1986) and Blood; House and Filley; Greene and Schriesheim (as cited in Bartolo & Furlonger, 2000), maintain that consideration leadership is positively related to employee job satisfaction and initiating structure is negatively related to job satisfaction. However, Bartolo and Furlonger (2000) assert that both types of leadership behaviour relates positively to job satisfaction. It is clear that job satisfaction plays a vital role in organisations and is critical for good working relationships.

3.7 SUMMARY

This chapter has described job satisfaction and current research on job satisfaction. The impact of transformational leadership on subordinate job satisfaction will follow.

Chapter 4 will discuss the empirical study, determination and description of the sample, and the measuring instruments, administration and scoring of the instruments, and statistical data analysis.
INTEGRATION

Bryman (1992), found that the influence of leadership on organisations has received attention in both psychology and organisational behaviour research. Beginning with the Ohio State studies in the late 1930’s, much research effort has been devoted to the development of leadership and the study of relationships between leadership and outcomes such as job satisfaction. Whilst there has been considerable differences in empirical findings relating leaders’ behaviour to both job satisfaction and performance, analysis of this relationship have generally indicated a positive association (Butler & Cantrell, 1997).

According to Smith, leading research on human motivation suggest that organisations that actively work to establish a favourable climate for personnel are more likely to experience higher performance. Research has not conclusively demonstrated that organisations that foster job satisfaction automatically experience higher levels of performance. Supervisors’ ability to demonstrate trust and confidence in employees, ability to talk one-on-one and the ability to show personal interest in others are strongly correlated with job satisfaction.

A study conducted by Packard and Kauppi (1999), found that different leadership styles do contribute to different perceptions of work environments and levels of job satisfaction among employees. Subordinates experienced higher levels of job satisfaction with leaders who exhibited high levels of consideration and supportive behaviour. The research findings reinforced that leaders recognised the importance of subordinates’ ability to interact with leadership and effect relevant outcomes, such as job satisfaction, they can better monitor when their leadership style is functional or dysfunctional. By providing a high level of support, a leader can facilitate conditions in the work environment that are both beneficial to and compatible with subordinates’ needs.
Transformational leadership was seen as becoming increasingly salient because of the personnel for whom future leaders will take responsibility. According to Bass (1997), the changes in the workforce promoted changes and transactional leadership needed with implications for changes in organisational culture, training, development and subordinate satisfaction.

Medley and Larochelle (1995) indicated that transformational leadership represented a paradigm shift in terms of the study of leadership. Transformational leadership has been positively correlated with how effective the leader is perceived by subordinates, how much effort subordinates will expend for the leader, and how satisfied the subordinates are with the leader.

Transformational leaders elevate subordinates’ needs on Maslow’s hierarchy from basic needs to self-actualisation and made subordinates aware of the goals of the organisation, resulting in stronger employee satisfaction. Transactional leadership is positively correlated with these outcomes, but found for transformational leadership (Hater & Bass, 1988; Storoeur, Vandenberghe & D’hoore, 2000).

The dimensions comprising transformational leadership affect critical organisational attitudes and outcomes are well established in the leadership literature. Although several authors have identified difficulties in the measurement of transformational leadership, there has been substantial empirical support for the effects of transformational leadership on both productivity and morale-related outcomes (Kelloway & Barling, 2000).

The study done by Storoeur et al (2000) provided strong evidence for the impact of transformational leadership and to a lesser extent, of transactional leadership on subordinate satisfaction with the leader. According to Bycio, Hackett and Allen (1995), regarding the conceptualisation of further assessment of Bass’s transformational and transactional leadership model,
shows that transformational leadership has strong positive relationships with subordinate extra effort and satisfaction with the leader.

Research done by Howell and Avolio (1993), had shown that leadership behaviour based on contingent reward can positively or negatively affect followers' satisfaction and performance. Conversely, contingent reprimand or disapproval, as exemplified by management by exception, generally had a negative impact on satisfaction and performance, particularly if the leader passively awaits for problems to arise before setting standards or taking any necessary actions.

Bryman (1992), found that transformational leadership behaviours are positively related to a number of important organisational citizenship behaviours, and job satisfaction. However, the ‘substitutes for leadership’ concept suggested that the key to improving the effectiveness of leaders is to identify the characteristics of subordinates, work tasks, and organisations that substitute, neutralise and enhance leadership behaviours (Fuller, Morrison, Jones, Bridger & Brown, 1999). Howell, Dorfman and Kerr (1986) and Podsakoff, MacKenzie and Brommer (1996) also believed that these variables moderate the relationship between transformational leadership behaviours and organisational outcomes. Transformational leadership as defined by Burns and Bass (as cited in Avolio et al, 1988), represented an important addition to previous conceptualisations of leadership.

Transformational leadership had been significantly and positively related to ratings of leader effectiveness, how much effort followers are willing to expend, satisfaction with the leader, as well as ratings of job performance for supervisor at middle and lower levels of private and public organisations (Avolio et al, 1988).

Transformational leadership had been positively correlated with how effective the leader is perceived by subordinates, how much effort subordinates say they will expend for a leader, how satisfied the subordinates are with the leader, and how well subordinates performed as
rated by the leader. In studies done by Bycio et al, 1995; Hater & Bass; Woodford, Goodwin & Whittington, 1998, transactional leadership was positively correlated with these outcomes, but those found for transformational leadership. Therefore, these supported the proposition of the model that transformational leadership contributed to the prediction of follower outcomes beyond.

According to Putti (1992), research done in the banking environment, has found leadership positively correlated to subordinate job satisfaction in small work units. There has been considerable evidence that the satisfaction of subordinates is related to the relationship style of the manager. The finding indicated that there is no one leadership variable that functions as a good predictor of job satisfaction, however the managers whose leadership behaviour is more conducive to subordinate satisfaction, is one who performs his role as being considerate, tolerant and respects group interest.

Since the early 1980s, civilian studies in business firms, government agencies, and other civilian organisations have supported the greater effectiveness of transformational leadership in contrast to transactional leadership in generating subordinate extra effort, commitment, satisfaction and contribution to military readiness (Bass, 1998).

Research on transformational leadership has proven to be very promising. Bryman (1992) cites a variety of organisational studies demonstrating that transformational behaviours are positively correlated to employees' satisfaction, self-reported effort and job performance. Similar results have been reported in other studies done by Avolio and Bass, 1988; Bass et al, 1987; Bass et al, (1987).

Substantial evidence gathered in the US Army, according to Bass and Avolio (1990), all point to the marginal impact transactional leaders have on the effectiveness and satisfaction of their followers, in contrast to the strong
positive effects of group of leaders.

According to Bass (1997, 1999), elements of transformational leadership such as leadership that provides followers with autonomy and challenging work become more important to the job satisfaction of the followers according to numerous employee attitude surveys. Those leaders who are more satisfying to their followers and who are more effective as leaders are more transformational and less transactional. Similarly, how hard one works is seen to be fairly independent of the pay and benefits one receives, thus suggesting that transactional leadership will be less important to job satisfaction.
4.1 INTRODUCTION

This chapter deals with the methodology of the study and discusses the sampling, data collection techniques and data collection and analysis.

4.2 POPULATION AND SAMPLE

Only employees who had attended the "Full range development" programme held by the company were selected to participate in the study. A sample of 30 leaders and 110 subordinates was randomly selected at the head office of the organisation. The respondents were asked to complete the questionnaires for the purpose of the research. Thirty leaders/managers questionnaires and 96 subordinates questionnaires were subsequently returned.

The following descriptive statistics for the sample \( N=126 \) provided a profile for the respondents in terms of their job level, gender, age and tenure in the organisation.

4.2.1 Job level

Figure 4.1 represents the respondents according to job level: 25% were managers and the remainder (75%) of the sample were subordinates reporting to the managers.

![Figure 4.1 Demographic distribution according to Job level](image)
4.2.2 Gender

Of the respondents, 25% were female and 75% were male, respectively.

![Gender Distribution](image)

Figure 4.2 Demographic distribution according to Gender

4.2.3 Age

The majority (44%) of the respondents were between 31 and 40 years of age.

![Age Distribution](image)

Figure 4.3 Demographic distribution according to Age

4.2.4 Tenure

The majority (45%) of the respondents had worked for the organisation for 2 years; 18% had worked for over a year or for between 3 and 6 years; 12%
had worked for over 1 year and 7% had worked for the organisation between 7 and 10 years, respectively.

![Figure 4.4 Demographic distribution according to Tenure](image)

### 4.3 DATA COLLECTION TECHNIQUES

For optimal measurement, various data collection methods were considered, in terms of their applicability and relevance to the study as well as their validity and reliability.

Two questionnaires were selected to measure transformational leadership styles and subordinates' job satisfaction:

1. Multifactor Leadership Questionnaire (MLQ)
2. Job Satisfaction Survey (JSS)

#### 4.3.1 Multifactor Leadership Questionnaire (MLQ)

The development, rationale, description, administration, interpretation, validity and reliability of the MLQ as well as the reason for choosing it are discussed below. A copy of the MLQ is included in the Appendix.

#### 4.3.1.1 Development

The MLQ is the most widely used instrument to assess transformational leadership (Carless, 1998). Bass (1985) developed the questionnaire to
assess the extent to which leaders exhibit transformational or transactional leadership and the extent to which followers are satisfied with their leaders and believe their leaders were effective (Hughes et al, 1993).

4.3.1.2 Rationale
The MLQ was developed to expand the dimensions of leadership measured in surveys. The major leadership constructs, namely transformational, transactional and nonleadership, form a new paradigm for understanding both the lower- and higher-order effects of leadership style. This paradigm builds on earlier leadership models, such as autocratic versus democratic, directive versus participative, and task- versus relationship-oriented leadership (Bass & Avolio, 1997).

The MLQ represents a broad range of leadership behaviours, and differentiates between ineffective and effective leaders. It also focuses on individual behaviours observed by associates at an organisational level that transform individuals and organisations.

4.3.1.3 Description
The MLQ (5X) (revised) questionnaire contains 45 items that identify and measure key leadership and effectiveness behaviour found to be strongly linked to both individual and organisational success. Each of the nine leadership components along a full range of leadership styles is measured by four intercorrelated items that are as low in correlation as possible with items of the other eight components. The questionnaire also contains biographical information.

The MLQ measures subordinate perceptions of transactional and transformational leadership, and assesses perceptions of leadership behaviours that generate the higher-order developed needs and performance effects.
The MLQ assesses five components of transformational leadership, three components of transactional leadership, one nontransactional component and three outcome components.

The scale comprises the following (see Chapter 2, section (2.4.4.2)):

(1) **Transformational leadership**
   (a) Idealised influence (behaviour)
   (b) Idealised influence (attributed)
   (c) Inspirational motivation
   (d) Intellectual stimulation
   (e) Individualised consideration

(2) **Transactional leadership**
   (a) Constructive transactions
      i. Contingent reward
   (b) Corrective transactions
      i. Management-by-exception (active)
      ii. Management-by-exception (passive)

(3) **Nontransactional leadership**
   (a) Laissez-faire

(4) **Outcome factors**
   (a) Satisfaction with the leader
   (b) Individual, group and organisational effectiveness
   (c) Extra effort by associates

A five-point scale is used for rating the frequency of observed leader behaviours:

Rating scale for leadership items:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Not at all</td>
</tr>
<tr>
<td>1</td>
<td>Once in a while</td>
</tr>
<tr>
<td>2</td>
<td>Sometimes</td>
</tr>
<tr>
<td>3</td>
<td>Fairly often</td>
</tr>
<tr>
<td>4</td>
<td>Frequently, if not always</td>
</tr>
</tbody>
</table>

57
Administration

Raters completing the MLQ evaluate how frequently, and to what degree, they have observed the focal leader engage in thirty-two specific behaviours (Bass & Avolio, 1997).

The MLQ is self-explanatory and is completed individually. The questionnaire provides clear instructions for its completion. There is a separate question and answer sheet. Respondents are asked to record their answers on an answer sheet. There is no time limit for the MLQ. Individuals are allowed to complete the questionnaire without direct supervision (Bass & Avolio, 1997).

Interpretation

The scores of the MLQ describe the different leadership styles as measured by the questionnaire. Each style description includes the frequency for displaying the behaviours of that style and the leaders were judged by the raters.

Scores below 1, indicate a nonleadership or laissez-faire style of behaviour. Scores of 2-5 and below indicate a transactional leadership style, namely constructive and corrective transactions. Scores above 3 indicate transformational leadership styles namely, intellectual stimulation, idealised influence, inspirational motivation and individualised consideration (Bass & Avolio, 1997).

Each component or dimension has four items linked to it in the questionnaire by which it is assessed. Averaging the responses of the items concerned scores each component or dimension.

Validity

According to Bass (1998) and Alimo-Metcalfe and Alban-Metcalfe (2001), studies in various sectors found that transformational leadership has a strong positive relationship with a range of outcome variables, including job
satisfaction and commitment, thus supporting the validity of the MLQ instrument.

4.3.1.7 Reliability

The coefficient alpha reliability coefficients for the MLQ Rater Form scales yield a range of 0.81 to 0.96, using Spearman Brown’s reliability formula (Bass & Avolio, 1997). The test-retest reliability for the MLQ (5X) survey over a six-month period, computed for the factor scales using data collected on 33 middle-level managers employed by a Fortune 500 firm for the MLQ (5X) survey, resulted in test-retest reliabilities ranged from 0.44 to 0.74 for the self-ratings and 0.85 for the ratings of others. Bass and Avolio (1997) point out that the reliabilities reported possibly underestimated the true test-retest reliability of the scales, since the group of managers used in the analysis did not receive team development and individual training during the six-month interval. Given this record of reliability, the researcher felt confident and justified in using the MLQ (5X) in the study.

4.3.1.8 Motivation for using the MLQ

The researcher decided to use the MLQ because the range of ineffective and effective leadership behaviors in the MLQ is broader than other leadership surveys commonly in use. Therefore, the MLQ is more suitable for administering at all levels of organisations and across different types of organisations, as well as predicting leader behaviour (Bass & Avolio, 1997).

The full range of leadership as measured by the MLQ, implies that every leader displays a frequency of both the transactional and transformational factors, but each leader’s profile involves more of one and less of the other. The use of the MLQ has many advantages. Its 360° capabilities, ability to assess perceptions of leadership effectiveness of team leaders, supervisors, managers, and executives from different levels of an organisation, and emphasis on development are among the MLQ’s advantages (Bass & Avolio, 1997).
4.3.2 Job Satisfaction Survey (JSS)

The development, description, administration, interpretation, validity and reliability and motivation using it are discussed next.

4.3.2.1 Development

In 1985, Spector developed the JSS, to assess nine dimensions of job satisfaction as well as overall job satisfaction.

4.3.2.2 Rationale

The JSS was specifically designed for the public sector and nonprofit organisations although applicable to other organisations. The scale was intended to cover major aspects of job satisfaction, with subscales that were clearly distinct in content. The development of the JSS was predicated on the hypothesis that job satisfaction represented an affective or attitudinal response to a job. It was also designed to give an overall attitude score as a combination of individual facets (Spector, 1985).

4.3.2.3 Description

For the purpose of the study, a facet scale was used. The JSS measures the items required for the purpose of the research. The questionnaire also contained biographical information.

The JSS can yield 10 scores. Each of the nine subscales produces a separate dimension score. The total of all items produces a total score. Each of the nine JSS subscales is scored by combining responses to its four items (Spector, 1997).

Table 4.1 presents the nine dimensions of job satisfaction, as well as overall job satisfaction being measured by the JSS.
### TABLE 4.1 THE DIMENSIONS AND DESCRIPTION OF THE JOB SATISFACTION SURVEY (JSS) (Spector, 1997)

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>satisfaction with pay and pay raises</td>
</tr>
<tr>
<td>Promotion</td>
<td>satisfaction with promotion opportunities</td>
</tr>
<tr>
<td>Supervision</td>
<td>satisfaction with the person's immediate supervisor</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>satisfaction with fringe benefits</td>
</tr>
<tr>
<td>Contingent rewards</td>
<td>satisfaction with rewards given for good performance</td>
</tr>
<tr>
<td>Operation conditions</td>
<td>satisfaction with rules and procedures</td>
</tr>
<tr>
<td>Coworkers</td>
<td>satisfaction with coworkers</td>
</tr>
<tr>
<td>Nature of work</td>
<td>satisfaction with the type of work done</td>
</tr>
<tr>
<td>Communication</td>
<td>satisfaction with communication within the organisation</td>
</tr>
</tbody>
</table>

Each of the nine dimension subscales contains four items. Each of the items is a statement that is either favourable or unfavourable about an aspect of the job (Spector, 1997).

A six-point scale is used for raters to provide their answers:

1 = Disagree very much  
2 = Disagree moderately  
3 = Disagree slightly  
4 = Agree slightly  
5 = Agree moderately  
6 = Agree very much

#### 4.3.2.4 Administration

Raters are requested to complete the questionnaire regarding their satisfaction about their job. The JSS is self-explanatory, and is completed individually. The questionnaire provides clear instructions as to its completion. The items are printed on the answer sheet, which the respondent uses to record his or her answers. There is no time limit for the JSS. Individuals are allowed to complete the questionnaire without direct supervision (Spector, 1997).
4.3.2.5 Interpretation

In order to compute the various scores, the individual items need to be summed together. The responses to the JSS items are numbered from 1 to 6. A respondent can therefore have a score from 1 to 6 for each item. Some of the items are scored positively and some are scored negatively. A positively worded item is one for which agreement indicates job satisfaction and a negatively worded item is one that indicates dissatisfaction. Thus, respondents who disagree with positively worded items and agree with negatively worded items have high scores representing satisfaction. Respondents who agree with positively worded items and disagree with negatively worded items have low scores representing dissatisfaction (Spector, 1997).

In order to accurately score the responses, the negatively worded item responses need to be reversed. After the items have been reversed, the numbered responses for the appropriate items are summed. The total satisfaction score is the sum of all thirty-six items. Individual scores are computed by summing the appropriate items and the scores can range from 4 to 24 (Spector, 1997).

4.3.2.6 Validity

With regard to the validity of the JSS, five of the subscales namely, pay, promotion, supervision, coworkers and nature of the work correlate well with corresponding subscales of Smith, Kendall and Hulin's Job Description Index (JDI). These correlations range from 0.61 to 0.80 for supervision (Spector, 1997).

The JSS also correlates with a number of scales and variables that have been shown to correlate with other job satisfaction scales, including job characteristics as assessed by the Job Diagnostic Survey, age, organisational level, absenteeism, organisational commitment, leadership practices, intention to quit the job and turnover (Spector, 1985).
4.3.2.7 Reliability

In Spector's (1997) study, a sample of 3,067 individuals completed the JSS and the coefficient alphas ranged from 0.60 for the co-worker subscale to 0.91 for the total scale. According to Bryman and Cramer (1997), the accepted minimum standard for internal consistency is 0.80, thus implying that the co-worker subscale is somewhat lower than what is expected.

Secondly, the test-retest reflects the stability of the scale over time. The reliabilities ranged from 0.37 to 0.74. Spector (1997) pointed out that the relative stability of satisfaction was remarkable in that the time span was 18 months during which several major changes occurred.

4.3.2.8 Motivation for using JSS

Taking into account the items and subscales that needed to be measured in this study, the researcher regarded the JSS as the most suitable measure of job satisfaction. Also, the content of the scale was applicable for the study.

4.4 DATA COLLECTION

According to Mouton and Marais (1990), data collection in the research design, is a challenge to the social science researcher because of people's rational, historic and normative characteristics. The critical consideration of validity in the process of data collection is reliability. The application of a valid measuring instrument to different groups under different circumstances is required to lead to the same observations.

The following data collection procedure was followed:

(1) A covering letter was prepared explaining the aim of the research, the confidentiality of the responses and instructions for completion.

(2) A biographical questionnaire was drawn up containing questions on the variables: job level, gender, age and tenure.

(3) The MLQ and JSS were sent out with a question and answer sheet.

(4) The covering letter, biographical questionnaire and relevant questionnaires were sent to managers and their subordinates.
The MLQ (leader questionnaire) was sent to the managers (who had between two and five subordinates).

The MLQ (rater questionnaire) together with the JSS were sent to subordinates of the relevant managers.

The managers as well as their subordinates were asked to complete the questionnaires anonymously and return them directly to the researcher, using the company’s internal mailing system.

The MLQ comprised a leader questionnaire and rater questionnaires. The managers who received the questionnaires were instructed to complete the leader questionnaire themselves and distribute the rater questionnaires to their subordinates.

The JSS questionnaires were given only to the subordinates of the relevant managers to complete in order to measure subordinate job satisfaction. The subordinates were also asked to return the questionnaires directly to the researcher, using the company’s internal mailing system.

4.5 DATA ANALYSIS

The SPSS (Statistical package for social sciences) was used to analyse the data statistically (Bryman & Cramer, 1997):

(1) Means and standard deviations

The mean offers a general overview of the data concerned and the standard deviation provides a dispersion of the data according to the variability of the data (Sekaran, 1992). The means and standard deviation of the job satisfaction dimensions were included in the empirical study because it provided information regarding the different dimensions and their satisfaction or dissatisfaction with their relevant managers.
T-tests

The T-test analysis provides information regarding the significance in the mean differences between different groups on a variable. The purpose of the T-test analysis was to consider the mean differences of the two groups used in the study, namely transformational and transactional managers, and then to establish whether there was a difference in terms of the different job satisfaction dimensions.

Correlational analysis

Correlational analysis determines the relationship between the independent and dependent variables and indicate whether there is a significance relationship between the groups and the job satisfaction dimensions (Calder, 1996).

The inclusion of the correlational analysis in the study provided information regarding the relationship between transactional and transformational managers in terms of the dimensions of job satisfaction.

Analysis of variance

Analysis of variance is used to indicate whether or not there is a significant mean difference in a dependent variable between two groups (Bryman & Cramer, 1997).

The analysis of variance was included in the study to provide insight into the job satisfaction dimensions and the biographical variables namely age and tenure.

SUMMARY

This chapter described the population and sample, data collection techniques and data collection and analysis.

The interpretations of the findings will be discussed in Chapter 5.
CHAPTER 5 RESULTS

5.1 INTRODUCTION

This chapter presents and interprets the findings and discusses the impact of transformational leadership on subordinate job satisfaction.

5.2 INTERPRETATION OF RESULTS

The results were interpreted by using the means and standard deviations of the job satisfaction dimensions, then comparing the transactional and transformational leadership styles and analysing the dimensions of job satisfaction. The results of the T-test analysis between transactional and transformational leadership and job satisfaction, the results of the correlational analysis and the analysis of variance are also discussed. Lastly, the literature review and empirical study results are integrated.

5.3 MEANS AND STANDARD DEVIATIONS

5.3.1 Means and standard deviations of the job satisfaction dimensions

The results of the means and standard deviation of the dimensions of job satisfaction are presented in table 5.1.
Table 5.1 indicates the means, standard deviations and maximum scores of the job satisfaction dimensions. Mean scores above 13 indicate that subordinates are more likely to be satisfied with their managers' leadership style and mean scores below 13 indicate that subordinates are likely to be dissatisfied with their managers' leadership style.

According to table 5.1, the mean score for supervision (21.36) was the highest in comparison to the other job satisfaction dimensions. The maximum score was 24 and the standard deviation was 2.56. It was therefore inferred that most of the subordinates were satisfied with the supervision of their managers, although the standard deviation indicated that there were subordinates who perceived job satisfaction as being less positive with regard to their supervisors.

The mean score for the nature of work dimension of job satisfaction was 20.12 and the maximum score was 24. This therefore meant that most individuals were satisfied with the type of work in which they were engaged.
With regard to the coworker dimension, the mean score and standard deviation were 19 and 10, respectively. This indicated that subordinates were satisfied with their coworker relationship. However, the standard deviation indicated that some subordinates possibly perceived coworker relationships differently.

According to table and the maximum mean score for contingent rewards was 15.95. This therefore indicated that subordinates were to some extent, satisfied with the rewards given to them for good performance.

The mean score and standard deviation for the pay dimension were 15.10 and 5.45, respectively. This therefore inferred that subordinates were adequately satisfied with the pay and pay increments within the organisation. However, the standard deviation for the pay dimension was the highest standard deviation in comparison to the other job satisfaction dimensions. This therefore indicated that many subordinates viewed the pay dimension in a negative light. These subordinates perceived pay and pay increments within the organisation as not satisfying.

The fringe benefit dimension and operation conditions dimension were closely related in mean scores of 13.43 and 13.65, respectively. The mean score of the fringe benefit dimension indicated that subordinates were to some extent, less satisfied with the fringe benefits given to them by the organisation. The mean score for the operation conditions dimension indicated that subordinates were satisfied with the rules and procedures set out by the organisation.

According to table 5.1, the mean score for the communication dimension was 14.10. This therefore implied that subordinates were fairly satisfied with the communication within the organisation.

The mean score for the promotion dimension was the lowest mean score compared to the other dimensions of job satisfaction. This therefore
indicated that many subordinates are to some extent dissatisfied with the promotion opportunities. At the same time, there were also subordinates who perceived promotion opportunities positively.

5.3.2 Comparison between leadership style and job satisfaction

The results of the comparison between transactional and transformational managers and the job satisfaction dimensions are presented in figure 5.1. Figure 5.1 clearly indicates that there are several similarities between transactional and transformational leadership style and the job satisfaction dimensions. There seems to be a difference in the fringe benefits dimension with regard to the transactional and transformational leadership styles as well as the pay dimension. This could be attributed to the fact that monetary rewards as well as fringe benefits within the organisation are not aligned to the external market and industry.
The study found that pay tends to be a concern for employees throughout South African organisations. If employees are dissatisfied with organisational life, this tends to be reflected in perceptions of pay (Hofmeyr, 1997).

5.4 T-TEST ANALYSIS

The results of the analysis of the dimensions of job satisfaction and transactional and transformational managers are presented in Table 5.2.

**TABLE 5.2 T-TESTS OF THE DIMENSIONS OF JOB SATISFACTION AND TRANSACTIONAL AND TRANSFORMATIONAL LEADERSHIP STYLES**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Mean Differences</th>
<th>Std Dev</th>
<th>t</th>
<th>Sig (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>-1.839</td>
<td>1.145</td>
<td>-1.61</td>
<td>.113</td>
</tr>
<tr>
<td>Promotion</td>
<td>-5.937</td>
<td>1.036</td>
<td>-.06</td>
<td>.954</td>
</tr>
<tr>
<td>Supervision</td>
<td>.378</td>
<td>.534</td>
<td>.71</td>
<td>.481</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>-2.012</td>
<td>1.194</td>
<td>-1.69</td>
<td>.098*</td>
</tr>
<tr>
<td>Contingent Rewards</td>
<td>-.437</td>
<td>.940</td>
<td>-.47</td>
<td>.644</td>
</tr>
<tr>
<td>Operation Conditions</td>
<td>-.460</td>
<td>.894</td>
<td>-.52</td>
<td>.609</td>
</tr>
<tr>
<td>Coworkers</td>
<td>-.573</td>
<td>.696</td>
<td>-.82</td>
<td>.414</td>
</tr>
<tr>
<td>Nature of Work</td>
<td>1.015</td>
<td>.698</td>
<td>1.46</td>
<td>.150</td>
</tr>
<tr>
<td>Communication</td>
<td>-.108</td>
<td>.942</td>
<td>-.12</td>
<td>.908</td>
</tr>
</tbody>
</table>

* p<0.10

According to Table 5.2, the only dimension of job satisfaction that had a significant difference was that of fringe benefits between transactional and transformational leaders. This therefore indicated that subordinates of transformational leadership managers were satisfied with the fringe benefits offered by the organisation.
The other dimensions indicated that there was no significant difference between transactional and transformational leaders. This indicated that subordinates of the transactional and transformational leaders were satisfied with the leadership style of their managers. This therefore implied that there was no impact on subordinate job satisfaction with regard to the different leadership styles, namely transactional and transformational.

5.5 CORRELATIONAL ANALYSIS

The results of the correlational analysis of leadership style and the dimensions of job satisfaction are presented below.

5.5.1 Leadership style and job satisfaction (Pay)

Correlation: 0.16 (not significant at 10% level)

Figure 5.2 Correlational analysis of transactional and transformational leadership style and the job satisfaction dimension (Pay)

In figure 5.2, although there was some indication that on average the subordinates with a transactional manager scored higher on the pay dimension than the subordinates with a transformational manager, the point-biserial correlation coefficient that measured the strength of the association was not statistically significant.
Medley and Larochelle (1995) found that there were no significant correlations between transactional and transformational leadership.

According to Spector (1997), the correlation between level of pay and job satisfaction is very small. Although pay level is not an important issue, research has shown that pay fairness can be very important. Most employees are not concerned that people in other jobs earn more than they do, but rather that people in the same jobs earn more than them.

Rice, Phillips and Mcfarlin (1990) found that people are likely to compare themselves to one another and to be dissatisfied if their salary is lower than others in the same job. The importance lies in the pay policies and procedures that should be administered fairly, even if this results in differential pay. The process of pay policies and procedures has a bigger impact on job satisfaction than the actual pay levels.

Research has shown that pay is an important source of job satisfaction. Individuals' satisfaction is also influenced by what they will be able to obtain such as standard of living as their salary increases (Schneider, Gunnarson & Wheeler, 1992).
5.5.2 Leadership style and job satisfaction (Promotion)

![Correlation Chart]

Correlation: 0.01 (not significant at 10% level)

Figure 5.3 Correlational analysis of transactional and transformational leadership style and the job satisfaction dimension (Promotion)

From figure 5.3, it is clear that on average the subordinates with a transformational manager scored higher than subordinates with a transactional manager. However, the median showed no significant correlation (0.01). Clark (1996), however found that the availability of opportunities for promotion had a positive effect on job satisfaction.

Schneider et al (1992), indicated that supervisors can control opportunities on the job through the assignments they provide and the feedback they give to subordinates. Opportunities at work are mediated through supervisors in many ways. For example; supervisors provide feedback, assess employees' performance with ratings that may affect their future opportunities, and assign work that can influence the opportunities with which employees are presented.

Kanter (as cited in Schneider et al, 1992) also found that career opportunity at all hierarchical levels accounted for the way people involved themselves in their work. Opportunities throughout an individual’s tenure with an organisation are reflected in an individual’s satisfaction with promotion.
According to figure 5.4, there was a negative correlation between transactional and transformational leadership styles and the supervision dimension of job satisfaction. The results also indicated that there was no significant correlation (≈0,07) between transactional and transformational leadership styles of managers and the supervision dimension of job satisfaction.

According to Spector (1997), supervisors are the biggest source of constraints seen by subordinates in terms of the organisation. Supervisors play a vital role in subordinate job satisfaction. Employees are more likely to enjoy their jobs when they understand the direction of the company and are confident that senior leadership in the organisation is able to meet objectives designed by strategy (O'Malley, 2000).

Supervisors' ability to demonstrate trust and confidence in employees, ability to talk one-on-one and ability to show personal interest in others are strongly correlated to job satisfaction together with leadership style and leaders' efforts to motivate subordinates (Smith et al, 1994).
Supervisors who act kindly towards their workers, have more highly satisfied subordinates, therefore making it possible to generate high worker satisfaction (Bassett, 1994).

According to Pelz (as cited in Bass, 1981), when supervisors influenced the side of their subordinate employees, the employees tended to feel satisfied and dissatisfied when their supervisors did not influence the.

According to Bassett (1994), small close-knit work groups exhibit greater satisfaction with socially sensitive, non-authoritarian supervisors, whereas larger groups whose supervisors are socially distant from workers are more satisfied with a formal task-oriented leadership style.

Small work groups with a limited supervisory span are likely to require less formal order and permit more flexibility of response. On the other hand, large work groups with a broader supervisory span may need formality and structure to get the job done effectively (Bassett, 1994).
It can be seen from figure 5.5 that although on average subordinates with a transactional manager scored higher on the contingent reward dimension than the subordinates with a transformational manager, the point-biserial correlation coefficient that measures the strength of the association was not statistically significant.

It was therefore concluded that there is no significant correlation (0.04) between transactional and transformational leadership styles of managers and the contingent rewards dimension of job satisfaction.

According to Locke and Latham (1990), rewards for performance fall into two broad categories namely those that are self-administered and those that are administered by others. Self-administered rewards stem from appraisals, which individuals make of themselves in comparing their performance to their internal goals or standards.
Rewards administered following performance can be divided into two sub-categories: noncontingent (i.e., do not depend on performance and are given in proportion to performance (Locke & Latham, 1990)).

Employees, who can achieve success at work, are rewarded equitably by the organisation for high performance and receive equitable noncontingent rewards will generally be satisfied with their job. Employees who feel unsuccessful whose rewards are inequitable or inadequate will feel dissatisfied with their job (Locke & Latham, 1990).

5.5.5 Leadership style and job satisfaction (Operation conditions)

Correlation: 0.06 (not significant at 10% level)

Figure 5.6 Correlational analysis of transactional and transformational leadership style and the job satisfaction dimension (Operation conditions)

From figure 5.6 it is clear that on average the subordinates with a transformational manager scored higher than the subordinates with a transactional manager, but, the median showed no significant correlation (0.06).
However, Medley and Larochelle (1995), found a positive correlation between organisational policies and transformational leadership style.

5.5.6 Leadership style and job satisfaction (Coworker)

![Graph](image)

Correlation: 0.09 (not significant at 10% level)

Figure 5.7 Correlational analysis of transactional and transformational leadership style and the job satisfaction dimension (Coworker)

According to figure 5.7, the subordinates on average with a transformational manager scored higher on the coworker dimension than the subordinates with the transactional manager. However the correlation measuring the strength of the association was not significant.

According to Schneider et al (1992), people seek friendly, warm and cooperative relationships with others not only for what they produce in an immediate sense, but also for the social support they provide. Coworker relationships usually exist for networking purposes. Networks are established at work not necessarily for what they provide but rather for what they have the potential to produce.
5.5.7 Leadership style and job satisfaction (Nature of work)

![Correlation chart]

Correlation: -0.14 (not significant at 10% level)

Figure 5.8 Correlational analysis of transactional and transformational leadership styles and the job satisfaction dimension (Nature of work)

Figure 5.8 indicates that there is a negative correlation between transactional and transformational leadership styles of managers and the nature of work dimension of job satisfaction. The results also indicated that there was no significant correlation (-0.14) between transactional and transformational leadership styles of managers and the nature of work dimension of job satisfaction.

Nevertheless, Clark (1996), found that managerial responsibilities were positively correlated with the work itself, implying that the nature of work has an impact of job satisfaction.
5.5.8 Leadership style and job satisfaction (Communication)

Figure 5.9 Correlational analysis of transactional and transformational leadership styles and the job satisfaction dimension (Communication)

According to Figure 5.9, the point-biserial correlation coefficient indicated that there was no significant correlation (0.01) between transactional and transformational managers and the communication dimension of job satisfaction.

Klauss and Bass (as cited in Bass, 1981) found strong positive links between communication effectiveness of supervisors, such as careful transmission, two-way communication, attentive listening and trustworthiness and increased satisfaction and effectiveness of the work group.

Bass (1981) found that increased efficiency, reduced grievances and absenteeism associated with employees' ratings of the communicating effectiveness of their supervisors. Such communication effectiveness included supervisors who were attentive, easy to talk to, receptive to ideas and suggestions and showed their subordinates how to improve performance.
Medley and Larochelle (1995) found that there is a correlation between transformational leadership styles of managers.

5.5.9 Leadership style and job satisfaction (Fringe benefits)

Figure 5.10 indicates a significant correlation (0.18) between transactional and transformational leadership styles of managers and the fringe benefits dimension of job satisfaction.

Fringe benefits play an important role in determining the job satisfaction of subordinates. Fringe benefits may take the form of rewards such as pay and other investments within the company (Spector, 1997).

According to O'Malley (2000), some organisations do not actively encourage the use of the fringe benefits that are offered, stating that this might lead to distractions from work performance. Without supportive management, many employees will not take advantage of their organisation's fringe benefits.
The results of the analysis of variance of the job satisfaction dimensions and the biographical variables of age and tenure are presented in Table 5.3.

**Table 5.3: The ANOVA of the Job Satisfaction Dimensions and Age and Tenure**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>7.686</td>
<td>0.007*</td>
</tr>
<tr>
<td>Tenure</td>
<td>0.766</td>
<td>0.468</td>
</tr>
<tr>
<td>Age*Tenure</td>
<td>0.803</td>
<td>0.451</td>
</tr>
<tr>
<td>Promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.674</td>
<td>0.414</td>
</tr>
<tr>
<td>Tenure</td>
<td>2.420</td>
<td>0.095</td>
</tr>
<tr>
<td>Age*Tenure</td>
<td>2.548</td>
<td>0.084</td>
</tr>
<tr>
<td>Supervision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.862</td>
<td>0.356</td>
</tr>
<tr>
<td>Tenure</td>
<td>1.513</td>
<td>0.226</td>
</tr>
<tr>
<td>Age*Tenure</td>
<td>0.252</td>
<td>0.778</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>1.650</td>
<td>0.202</td>
</tr>
<tr>
<td>Tenure</td>
<td>0.435</td>
<td>0.649</td>
</tr>
<tr>
<td>Age*Tenure</td>
<td>3.453</td>
<td>0.360</td>
</tr>
<tr>
<td>Contingent rewards</td>
<td>5.199</td>
<td>0.025</td>
</tr>
<tr>
<td>Age</td>
<td>2.667</td>
<td>0.075</td>
</tr>
<tr>
<td>Tenure</td>
<td>0.673</td>
<td>0.513</td>
</tr>
<tr>
<td>Operation conditions</td>
<td>1.657</td>
<td>0.201</td>
</tr>
<tr>
<td>Age</td>
<td>0.078</td>
<td>0.925</td>
</tr>
<tr>
<td>Tenure</td>
<td>1.903</td>
<td>0.155</td>
</tr>
<tr>
<td>Coworker</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.213</td>
<td>0.646</td>
</tr>
<tr>
<td>Tenure</td>
<td>0.346</td>
<td>0.709</td>
</tr>
<tr>
<td>Age*Tenure</td>
<td>0.349</td>
<td>0.707</td>
</tr>
<tr>
<td>Nature of Work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.017</td>
<td>0.896</td>
</tr>
<tr>
<td>Tenure</td>
<td>2.263</td>
<td>0.110</td>
</tr>
<tr>
<td>Age*Tenure</td>
<td>0.310</td>
<td>0.734</td>
</tr>
<tr>
<td>Communication</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>1.126</td>
<td>0.292</td>
</tr>
<tr>
<td>Tenure</td>
<td>0.271</td>
<td>0.763</td>
</tr>
<tr>
<td>Age*Tenure</td>
<td>1.079</td>
<td>0.344</td>
</tr>
</tbody>
</table>

*p<0.01
From table 5.3, it is clear that only one dimension of job satisfaction was significant with age, namely, pay. The other dimensions indicate that there was no significant difference between the dimensions of job satisfaction of transformational and transactional managers and age and tenure.

Brush, Moch and Pooyan (1987) studied the relationship between age and job satisfaction and found an increase in job satisfaction with age. Older workers are more satisfied with their jobs because they are more accepting of authority and have more skill than their counterparts (Spector, 1997). Older workers are more satisfied because they get what they want out of their work, such as high pay and higher level but also due to their long tenure (White & Spector, 1987).

Bedeian, Ferris & Kacmar (1992) maintain that there is a positive relationship between hierarchical levels and job satisfaction. They found that upper hierarchical levels are not open to young employees. This implies that the increased power and prestige often associated with upper level positions are unavailable to younger employees. Bedeian et al (1992), go on to say that advancing age alone can increase prestige and confidence, thus contributing to a greater level of job satisfaction.

According to Clark (1996), satisfaction with pay and satisfaction with the work itself rise nonlinearly with age, with larger rises with satisfaction for the older age group. Younger workers may feel satisfied because of the novelty of their situation and because they have little information about their world of work against which to evaluate their job.

Clark (1996) states that incentive payments are associated with higher pay satisfaction.
5.7 INTEGRATION OF THE LITERATURE REVIEW AND THE EMPIRICAL STUDY

Through the empirical study, information was obtained about transformational leadership behaviour and subordinate job satisfaction. An attempt will be made to integrate the significant findings of the empirical study with the findings of the literature review as discussed in chapter 2 and 3.

According to Bass (1994), research in different organisations, sectors of society and countries has shown distinct patterns of behaviour in transformational leadership. The need for transformational leadership in South Africa is critical, as the massive redirection of South Africa from apartheid to a multiracial, equal opportunity society calls for massive development and training efforts in all sectors. There is a definite need for transformational leadership in South Africa, especially if future leaders are to sustain fundamental and long-term changes.

In a study on job satisfaction and leadership behaviour, specifically in hospitals, military, educational and business organisations in Australia, it was found that there is a relationship between leadership behaviour and job satisfaction (Bartolo & Furlonger, 2000).


According to Hofmeyr (1997), the supervisor plays a key role in the satisfaction and well-being of subordinates. A good manager-subordinate relationship can counteract other frustrations experienced by subordinates and overall satisfaction is often related to the strength of the relationship.
between manager and subordinate. This means that companies may have to take more seriously the idea of the supervisor as coach and mentor, someone who gives regular feedback and recognition, supports and develops subordinates, and builds teamwork. This is particularly the case if it is agreed that the supervisor-subordinate relationship is central to employee well-being.

This study found a significant relationship between transformational leadership of managers and subordinate job satisfaction with regard to the job satisfaction dimensions of fringe benefits and pay. Furthermore, it found that pay and age were related. While, there was no significant relationship between transformational leadership styles of managers and the other dimensions of job satisfaction.

5.8 SUMMARY

This chapter discussed the empirical results of the study, with particular reference to relationships or linkages between transformational and transactional leadership and various dimensions of job satisfaction.

Conclusions, limitations and recommendations will be discussed in chapter 6.
CHAPTER SIX CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

Chapter six comprises the conclusions, limitations and recommendations of the research.

6.2 CONCLUSIONS

The study achieved its aims of defining transactional and transformational leadership and their components, and job satisfaction and its dimensions. The literature review indicated a positive relationship between transactional and transformational leadership and subordinate job satisfaction. The data analysis from the questionnaires confirmed this finding.

The influence of transformational leadership on various aspects of subordinates' job satisfaction was investigated and determined. The study reached the following conclusions regarding transactional and transformational leadership and particular dimensions of subordinates' job satisfaction:

(1) There is a relationship between transformational leadership and fringe benefits.
(2) There is a relationship between transformational leadership and pay dimension.
(3) There is a relationship between pay dimension of job satisfaction and age.
(4) There is no relationship between transformational leadership and promotion, contingent rewards, nature of work, communication, operation conditions, supervision and co-workers and transformational leadership styles.
(5) There is no relationship between promotion, contingent rewards, nature of work, communication, operation conditions, supervision and co-workers and tenure.
6.3 LIMITATIONS OF THE STUDY

The study was subject to the following limitations.

There is very little literature relating specifically to transformational leadership and the influence it has on subordinate job satisfaction, both nationally and globally.

The study found no evidence of research on transformational leadership and subordinate job satisfaction in the steel and mining industry.

The sample size for the study was too small. This may have affected the generalisability of findings. Both the questionnaires were based on the perceptions of the subordinates and therefore increased the chances of subjectivity when completing the questionnaires. No colleagues or the leaders' managers rated the leaders.

The transformational leadership follow-up sessions in the organisation did not occur on a continuous basis, thus restricting the reinforcement of transformational leadership behaviours within the organisation.

6.4 RECOMMENDATIONS

Taking into account the findings of this study, the organisation will need to consider whether the leadership workshops that have been introduced in the organisation are having an impact on the broader change process that has been embarked on. More specifically, there is a need to evaluate the intervention in terms of sustainability, costs, and adding value to the bottom line.

Kanungo (1998) maintains that three different stages are required for leadership to manifest within an organisation:

1. Corporate leaders must demonstrate a desire to change the status quo and an intense sensitivity to environmental opportunities and constraints. They
should also assess needs, capabilities and inclination of organisational members.

(2) Leaders need to formulate a vision, which is shared by stakeholders and articulate this vision using inspirational language.

(3) Leaders must engage in acts involving personal risks and sacrifice. The presence of socio-cultural and gender diversity that create social stress requires a strong vision to focus on mutual goals and provide a sense of security. Furthermore to gain the trust of organisational members, the leaders have to act as role models, showing total commitment to achieving organisational objectives.

In order for the organisation to continue with the ‘Full range development’ programme the following actions are recommended:

(1) Initial and continuous buy-in from top management is critical for the success of this kind of intervention.

(2) The values and culture of the organisation will determine the type of leadership styles to be instilled in the organisation. The message may be that of a shared vision, which needs to be of transformational leadership, the organisation wants to emphasise.

(3) An in-depth project plan or action plan will need to be designed in terms of the needs of the organisation pertaining to leadership training and development.

(4) Transformational leadership workshops need to be planned and conducted regularly.

Effective training in transformational leadership needs to be based on substantive theory of transformational leadership and specific action plans, in order to achieve the necessary leadership behaviours.

It is recommended that a key element in implementing a leadership intervention is the use of a training programme designed to extend beyond the actual training session. This would then mean collecting subordinate ratings of leaders’ transformational leadership styles at least one month prior to each leader-training session. These ratings should and would then be
used in the training session as feedback to the leaders on the current use of transformational leadership style.

Subordinate ratings of a leader's transformational leadership style must be collected and presented to the leaders. The trainer would then draw the leaders' attention to the discrepancies between subordinate ratings and their self-ratings of their leadership behaviours. Leaders would thus become aware of specific behaviours that led to the subordinate ratings. This type of training would result in the development of specific action plans for enhancing individual transformational leadership behaviours, thus emphasizing the issue of personal feedback and goal setting.

(5) Feedback sessions and follow-up workshops are also recommended. Feedback sessions are critical to the success of transformational leadership behaviours within the organisation. In order to design interventions to enhance leadership capabilities, feedback regarding the following needs to be considered:

(a) Depending on the goal of the intervention, either training or feedback may result in the desired change.

(b) Feedback needs to be honest and worthwhile to the leader to add value to the intervention.

(c) Group-based training is more cost effective to enhance transformational leadership.

Approximately six months after a workshop, subordinate ratings should be collected. In a second feedback session, leaders should be presented with the information that allows them to evaluate the effectiveness of their changes in behaviour.

The purpose of the second feedback is critical for long-term sustenance. Firstly, it establishes the expectation for change. Participants are clearly told that changes are expected and will be measured. Secondly, the session can serve as a reinforcement session; that is, to reinforce the changes that leaders implement to enhance their transformational
leadership style. Lastly, the trainees and the trainers can evaluate the effectiveness of the programme.

(6) Continuous reinforcement of leadership behaviours. Changes consistent with this message should be introduced in the daily practices of the organisation.

(7) Continuous feedback on leadership behaviours. The behaviours of top level leaders become symbols of the organisation’s new culture.

(8) Performance evaluation and reward strategy will be enhanced to include transformational leadership behaviours displayed or practiced by managers.

The focus should be on small behavioural changes and the implementation of those changes that can be sustained over time. Based on subordinate perceptions, individuals will be seen as exhibiting more transformational leadership within three to four months as a result of implementing these goals.

Kellaway and Barling (2000) state that this approach to training transformational leadership is effective. Leaders participating in the programme do make behavioural changes that are seen by subordinates as enhancing their transformational leadership.

Avenues for future research include the effect of leadership on other variables, such as employee attitudes and motivation (Kellaway & Barling, 2000). Further studies should consider using other departments within the organisation, wider biographical dispersions and larger sample groups.

Leadership research for corporations of the future needs to shift the focus from supervisory and managerial behavior to transformational leadership behaviour. The emphasis so far has been largely on the transactional influence process, but future research should be directed towards exploring the basis of transformational influence in the context of management of change, innovation and diversity (Kanungo, 1998).
Reflecting on future leadership trends and leaders, Beckhard (1996, p. 129) states that:

"Truly effective leaders in the years ahead will have personas determined by strong values and beliefs in the capacity of individuals to grow. They will have an image of the society in which they would like their organisations and themselves to live. They will be visionary, they will believe strongly that they can and should be shaping the future and they will act on these beliefs through their personal behaviour."

For organisations globally and nationally, it is imperative to identify and develop transformational leaders who are able to manage and drive organisational transformation, in order to absorb the ever increasing and continuously changing demands of the work environment and society (Van Rensburg & Crous, 2000).

6.5 SUMMARY

This chapter concluded the final phase of the study. The aims of the study were achieved, its limitations were outlined and recommendations were made for further research.
REFERENCES


