The Impact of Transformational Leadership Style on Employees’ Job Satisfaction

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Abstract

This study aimed to investigate the impact of transformational leadership style (idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration) on the employees’ job satisfaction in the IT companies in Jordan. The population of the study covered all the Jordanian software development companies, a sample consists of (300) surveys were distributed to all levels of the employees, and the number of the returned surveys were (151) which considered for statistical analysis. Single and multiple regression was used to analyze data and testing the hypotheses. The results showed that the adoption of the Jordanian software development companies’ transformational leadership style is high, and the job satisfaction of its employees also high, the study also found that all of the transformational leadership variables impacted the job satisfaction, and the idealized influence variable was the most influencing variable. Also, there was no statistical significant in adopting transformational leadership pattern in the software development companies’ due to the demographic variables age and years of experience; whereas the study found a statistical significant in adopting transformational leadership pattern in the software development companies due to the gender.

Key Words: Transformational leadership job satisfaction, career challenges, it companies, jordan.
1. Introduction

Job satisfaction is an important competence guide for studying organization as satisfaction has a significant impact on employees' behavior and work attitude indirectly. Thus, employees are predisposed to greater or lesser job satisfaction; so individuals with a positive attitude on life, or who are constructive, will have higher job satisfaction regardless of the job or workplace they are in. Therefore it depends on both internal and external circumstances, which are affected rapidly to the environment in both the organization and employee are placed in, because what is considered as hygiene factor for a job in one culture may be considered as a motivator in others.

Transformational leadership has become more popular among researchers (1). It is a process of building commitment to organizational objectives to empowering followers to accomplish those objectives and to enhanced follower performance. Many studies indicated the importance of transformational leadership to employees’ job satisfaction, management styles and performance, and transactional and transformational leadership impact the successful in performance. (2). Job satisfaction is essential for employee retaining. Organizations need to retain worthy and gifted employees for long term progress and definite success. If employees just leave the organization after being taught, the organization would be in a big disorder. Clearly the company can hire new individuals but no one can deny the importance of experienced professionals, which helps the decision makers in the corporation to provide the highest outcome and perform their best in processing the decision pre-constructing their judgement. The study aimed to investigate the impact of transformational leadership (Inspirational Motivation, Intellectual Stimulation Individualized Consideration and Idealized Influence) on Job satisfaction as well as to find the impact of each dimension of the transformational leadership on job satisfaction. In addition to find out if there are any statistical differences of the transformational leadership on the job satisfaction due to the demographic factors (gender, age, years of experience, and education).

Working in the Information Technology (IT) industry took the researchers attention that employee satisfaction has been a major area, that pose challenges for employers in Jordan, especially in the last five years, which came to Jordan in a major change in the organization structure, not to forget the globalization of the markets, especially in the IT sector that made Jordan one of the main resources for the national market in the Arab countries. Due to this openness the out sourcing markets has made a large income gap locally compared to international market associated with the global economy crises that the world is still demanding to solve, and Jordan is no exception in the equation. This lead to high staff turnover, and may leads to a lack of experience, loss of transmission of knowledge, and financial loss for the organization. Job satisfaction is another subjective topic that concerns employers – job satisfaction, or lack motivation, can affect performance appraisals and threaten the employer-employee
relationship by creating friction between employees and their supervisors. The study seeks to answer the following questions: What is the impact of Transformational Leadership Style (Inspirational Motivation, Intellectual Stimulation Individualized Consideration and Idealized Influence) on Job Satisfaction? Are there any statistical differences in the impact of transformational leadership on employees’ job satisfaction, due to demographic factors (gender, age, and years of experience)? To answer the questions posed by the researchers, the following hypotheses were developed for testing: **H01**: There is no statistical significant impact of transformational leadership (Inspirational Motivation, Intellectual Stimulation Individualized Consideration and Idealized Influence) on employees’ job satisfaction. **H02**: There is no statistical differences in the impact of transformational leadership on employee job satisfaction due to demographic factors (gender, age and experience at $\alpha \leq 0.05$. 

2. Leadership

The world is facing great opportunities and even greater challenges, this can’t afford to wait for someone else to step up to these challenges. Businesses, institutions, and communities require all of us to lead well. All leaders need to learn how to use power responsibly, how to apply their skills, and how to live by their values and ethics. The key to great leadership is recognizing that each of us has the obligation to use power responsibly, constantly reinforcing and applying the values and ethics that guide us and our organizations (3). Jong described leadership as a process of influencing people in order to achieve desired outcomes (4). Lok and Crawford stated that leadership plays a critical role in determining the success or failure of an organization (5). Gill and others identified that leaders help to stimulate, motivate, encourage, and recognize their followers in order to get key performance results (6). Though early studies on leadership frequently categorized as trait theories focused on identifying the personality traits, which distinguished leaders from non-leaders. Trait theories assume that successful leaders are born with certain natural qualities, which differentiate them from their followers (7). Trait theories are models that attempt to explain leadership effectiveness by articulating physical, psychological, and social characteristics, as well as abilities, knowledge, and expertise. Another inaccurate assumption in many of these theories was that all traits physical and psychological alike were immutable. In fact, some of what these researcher considered traits can and do change over time. Leadership styles that each leader adopts, is a leader’s style that supports the path, implementing strategies, and inspiring people. (8). There are countless diverse leadership styles that can be demonstrated by leaders in the administrative, business or other areas.

The leadership professional James Mac Gregor Burns originally introduced the theory of transformational leadership in the late 20th century. Burns strained the importance of this modern type of leadership and later on people became more
concerned with it as the world is currently witnessing rapid and tremendous changes. According to (9) a leader is perceived as transformational when leaders support and encourage followers to raise the level of their morals, motivation, beliefs, observations, and association with the objectives of the organization, who has the social and emotional intelligence to inspire others to seek an extraordinary vision, value people and focus on employees’ needs, are passionate about what they do, and do the right thing in the right way. Researcher describe five behavioral attributes of charismatic leaders: Vision and articulation, sensitivity to the environment, Sensitivity to people’s needs, Personal risk taking and unconventional behavior. He believed that transformational leadership could support followers from a lower to a higher level of needs, which agrees with Maslow’s hierarchy of needs. in other words.

To be effective, the leader must be explicitly trusted and genuinely committed to the organization and its mission. Leaders cannot “privilege” (transformational status Hall, (10). First of all, the inspirational incentive measurement is formed through comportments that facilitate an emotion of optimism and an obligation to administrative goals and vision. Secondly, Intellectual Stimulation involves followers in emerging new and different solutions to common complications and conducting work in new techniques. Leaders challenge the process and antagonize old and old-fashioned assumptions, traditions and processes. Tracey & Hinkin define Idealized Influence as “conduct that marks in follower appreciation, respect and dependence (11).

3. Job Satisfaction

Roughly reflect it is simply how pleased an individual is with their job, such as the nature of work or supervision (12). Professional researchers and specialists have delivered their own definitions of what job satisfaction is. However, the two most mutual descriptions describe job satisfaction as: “the pleasurable responsive state resulting after the appraisal of one’s job as achieving or simplifying the accomplishment of an individual’s career principles (13). Overall, most definitions insure the emotional sensitivity an employee has concerning their job. This could be the job in general or their attitudes towards precise characteristics of it, such as: their coworkers, wage or working surroundings. However, job satisfaction is not only about how much a worker appreciates labor (14). This study demonstrates that the mount up pleasure of work tasks added up to overall job satisfaction. However, the low relationship does suggest that other factors, besides enjoyment, contribute to how satisfied employees feel at work. Managers and their applicable leadership styles performs an important part in job satisfaction (15). On the other hand, concepts industrialized and established in western organizations are also effective for eastern countries. As a result, the impact of leadership style is very substantial on job satisfaction, and this relationship does not change in its value in addition to the significance between west and east. Therefore leadership is considered an important process for achievement or failure of any organization. Leaders can
make important changes in employees’ degree of job satisfaction through educating employees’ efficiency and inspiration, and by keeping their organizations in a successful position. In addition, the degree of job satisfaction under relaxed leadership is less than under democratic leadership. Additionally Savery found that democratic leadership style depends completely on employees’ job satisfaction in national organizations in Western Australian (16). In disparity, Rad and others founds no relationship between leadership behaviors and employees’ job satisfaction in Isfahan University Hospital in Iran (17). They also pointed that a participative leadership style was acquainted among managers and that style is influenced employee job satisfaction. The field of authoritative sensibility has a long, rich, and quarrelsome history identified with the study and comprehension of worker mentality and job satisfaction. Part of this research is very comprehensive and intended largely at other researchers, while other publications deliver hands-on regulation on understanding, measuring, and improving employee attitudes.

Leadership Style of Managers, debates that it’s not narrowed on the communication in decisive, but the leadership style itself takes in the equation, where the findings showed that the dominant leadership style was self-governing and employees were abstemiously satisfied with their job in Jordan (18), which show that various leadership style will have different consequences on hotel employee job satisfaction. As a result, by implementing the applicable leadership styles, leaders can touch employee job satisfaction. Again taking in our position to the IT sector in Jordan, higher ranks in the organization are usually acquired by the older employees, regardless the experience, threshold competencies or even their differentiating competencies, which may give them an obtaining the position in the first place.

Alternatively, on higher level of educated employees, Awamleh and Aldmour disputes that transformational leadership style, transactional leadership style, and self-efficacy were all related to job satisfaction (19). On the other hand, self-value, and self-respect were related to self-apparent conduct. In addition, examinations indicated significant effects of self-usefulness and self-esteem as variables. Outcomes exhibited to stimulate advanced levels of satisfaction amongst employees, managers/supervisors need to establish transformational and transactional traits simultaneously.

While Shelash and others comes to the comprehension on a more explicit variety modern approach to leadership style, where a statistically substantial constructive relationship prevailing between the five dimensions of transformational leadership and the two dimensions of job satisfaction, the strongest relationship between inner job satisfaction and transformational leadership has been observable amongst the intellectual stimulation dimension (20). Madlock designated a strong connotation between administrators’ correspondent capability, their task and relational leadership styles, with supervisor communicator competence (21), actuality a stronger interpreter of
employee job and communication satisfaction. More specifically, the outcomes emphasize that administrators’ correspondent capability accounted for 68% of the adjustment in secondary communication satisfaction and nearly 18% of the variance in subordinate job satisfaction. More important, these outcomes provide a relationship between communication, leadership, and employee job and communication satisfaction, but taking in our situation, IT employees result in the least variance in subordinate communication satisfaction, due to the rapid job surroundings and the endless time spent on the computer, undertaking in minor or almost no direct interaction with managers or employees; even with constant endless e-mails and video conferences the distance of technology still makes a miss-lap in the effectiveness of communication, which results in poor leadership.

To conclude, the foregoing discussions on the use and proliferation of IT in an undersized duration of about three decades, its popularity and the passion it has evoked is quite impressive. A large number of persons and professionals are employed in this industry. The employees can be classified as casual, contingency, permanent, part-time, self-employed, independent contractor, temporary, and wage labor. Jordan is home to a large number of IT professionals, who have the necessary skill and expertise to encounter the hassles and prospects of the global IT industry. The cost of skilled Jordanian workforce is reasonably low; after India of course, compared to the developed nations. This makes the Jordanian IT services highly cost efficient which also the reason as to why the IT empowered services like business development outsourcing and knowledge development outsourcing have stretched out considerably in the Jordanian job market.

By measuring employee satisfaction in significant areas, organizations can evolve the information needed to inflate their satisfaction, motivation, maintenance and productivity. Human resources policy is one of the calculated steps to gain job satisfaction. Lecturing the essentials, including fair compensation policy, valuable benefits policy and the ability to balance work and life are crucial components of an organization’s inclusive withholding strategy. Organizations must not only generate a combination of welfares procedures that remember and stimulate what is often a very miscellaneous labor force, but they must also regularly adapt that variety procedures with the job satisfaction. Approximately influences of job satisfaction are widespread and consistent. Both employees and human resource professionals note recompense and benefits are important to employee job satisfaction. Though, research has demonstrated that there are more significant factors that underwrite to job satisfaction, such as relationships with immediate officials, administration appreciation of employee job performance and communication between employees and senior administration to empower these elements.

Through the presentation of the previous literature on transformational leadership style, the researcher found that many of these studies have addressed
topics related to transformational leadership and its impact on job satisfaction. This study has benefited from previous studies in the development of the idea and definition of its variables, as well as identifying problem of the study, which ensured many similarities and differences emerged between the current study and previous studies, where Al-Ababneh, discussions that it’s not limited on the communication in paresis the leadership style itself takes in the equation, where his findings showed that the dominant leadership style was democratic and employees were moderately satisfied with their job in Jordan (18), which (19) disputes that transformational leadership style, transactional leadership style, and self-efficacy were all related to job satisfaction, on the other hand, (20) comes to the understanding on a more detailed type modern approach to leadership style, where a statistically important constructive association existing between the five dimensions of transformational leadership and the two dimensions of job satisfaction, the strongest relationship between internal job satisfaction and transformational leadership has been visible among the intellectual stimulation dimension.

The differences that made this study considered from the previous studies can be summarized as follows: First, this study sought to identify the impact of transformational leadership dimensions on job satisfaction in the development of the Jordanian software companies, while previous studies varied in the research trends to measure the impact of transformational leadership on other variables effective decision-making study (21) and innovation organizational study (22) Second: the application of the study environment, as this study has been applied to software development companies in Jordan Third: the study sought to clarify the transformational leadership style as one of the most important leadership styles followed in the present day. The study population consisted of all Jordanian software development companies in the private sector and is made up to 100. The researcher had visited most of these companies to distribute the questionnaire personally and others were contacted through e-mail and social media using Google Docs, As the unit of analysis have been reliable in the required data collection, which includes senior managerial and middle-level (General Manager Department or equivalent director, Head of the Department or its equivalent) by 3 questionnaires for each company only, according to the request of the management of the companies. Due to time constraints, 300 questionnaire were distributed to 50 small private companies and 50 large companies. 150 identification have been retrieved of all companies by 50 paper based questionnaires and 100 of the identifications were collected online.

Questionnaire was developed as a tool to gather information after taking the necessary design and review of scientific studies and previous conditions. The study relied on Transformational leadership changes specified by (23). The questionnaire has been included in two main parts: the demographic variables section for the study sample through 3 variables, namely, age, gender, and experience. And two main variables: transformational leadership and job
satisfaction of employees through 31 questions distributed to five dimensions. The transformational leadership included 4 dimensions; involving 20 sections, which included 5 sections on inspirational motivation, 5 sections on intellectual stimulation, and other 5 sections on individualized consideration, and idealized influence guarantees 5 sections. Effectiveness measured behavior, and job satisfaction acquired 11 sections. This has classified all the paragraphs of the questionnaire responses of the variables and independent subsidiaries in accordance with the quintet Likert scale, which is a technique used to measure the behaviors and preferences in questionnaires, particularly in the study of consumer behavior Likert scale 1932. The scale depends on the responses indicate the degree of approval or objection to a formula based on answers (standards) starting from (Strongly Disagree degree - One, is agree - two disagree, neutral -3 degrees, Agree - 4 degrees, and strongly agree - 5 degrees).

A group of statistical analysis methods was used to analyze the results of this research. The following statistical methods have been used for analyzing the data and testing study hypotheses; working out frequency rates and percentages relevant to the questionnaire paragraphs, calculating the standard deviations and mean in all questionnaire paragraphs and using simple, multiple, and hierarchy regression, independent samples T test) & ANOVA for testing the hypotheses. Cronbach's alpha is the most common measure of internal consistency ("reliability"). It is most commonly used when you have multiple Likert questions, in this study Cronbach's alpha is found as the following: 0.95 for the 31 Items. f the result is lower than (3), the response will not apply; but if the result is higher than (3), the result will be applicable. The following table shows the mean and standard deviation for each characteristics of transformational leadership, as shown all mean of the characteristics of transformational leadership are above three which mean high as mentioned before. It was found that 72.8% of the respondents are males and the rest are females. 60.3% of the respondents were between 25 to 29 years, and only 5.3% of them were between 30 to 39 years. Characteristics of respondents according to the years of experience 7.9% of the respondents were between less than 2 years in the field of subject study, 60.9% of them were between 2 - <6 years, 13.9% of them were between 6 - <8 years, 4.6% of them were between 8 - <10 years, and 12.6% of them were over 10 years.

Analysis shown that personal attraction "Idealized Influence" came in first place with the highest mean reached (3.5351) reflecting the high degree of approval and consensus the study sample, which also indicates that the standard deviation (.80946) Thus, this dimension is the most commonly used in Jordanian software companies. It came in second place the Inspirational Motivation, which reached a mean of (3.5258), followed in third place the Intellectual Stimulation which reached a mean of (3.4967), while Individualized Consideration ranked last with a mean of (3.4517) and standard deviation of (.81239). The results of the current study are consistent with the study of (21), which reached the level of availability of Transformational Leadership with its
The analysis shown that the mean and standard deviation for job satisfaction, as Mean of job satisfaction are above three which mean high.

H01: Regression analysis was used to test the study hypothesis and it was found that $\text{Sig} = 0.000$ which is lower than 0.05. According to the study decision rule: Accept the null hypothesis (H01) if Sig value is greater than 0.05. Therefore reject (H01) and accept the alternative hypothesis. Thus, there is statistical significant impact of transformational leadership on employee job satisfaction. The analysis also shown that the relation is considered strong as $r = 0.74$ and the independent variables explains 56% of changing on the dependent variable; job satisfaction. Regression analysis was used to test the study hypotheses and it is found that $\text{Sig} = 0.000$ which is lower than 0.05. According to the decision rule: Accept the null hypothesis if (Sig) value is greater than (0.05), therefore reject and accept the alternative hypothesis. Thus, there is statistical significant impact of inspirational motivation characteristic of transformational leadership style for the IT managers\supervisors on employee job satisfaction. It can be noted that 62% of job satisfaction is due to Inspirational Motivation where it was taken individually.

Regression analysis was used to test our hypothesis and we found that (Sig = 0.000) is lower than (0.05). Therefore reject and accept the alternative hypothesis. Thus there is statistical significant impact of Intellectual stimulation characteristic of transformational leadership style for the IT managers\supervisors on employee job satisfaction. And it can be noted that 54% of job satisfaction, due to Intellectual stimulation where it was taken individually. According to the decision rule: Accept the null hypothesis (H013) if (Sig) value is greater than (0.05), therefore reject and accept the alternative hypothesis. Thus there is statistical significant impact of Individualized Consideration Characteristic of transformational leadership style for the IT managers\supervisors on employee job satisfaction. And it can be noted that 65% of job satisfaction, due to Individualized Consideration where it was taken individually. Regression analysis was used to test our hypothesis and we found that (Sig = 0.004) is lower than (0.05). Thus, there is statistical significant impact of Idealized Influence Characteristic of transformational leadership style for the IT managers\supervisors on employee job satisfaction. And it can be noted that 73% of job satisfaction, due to Idealized Influence where it was taken individually. Regression analysis was used to test the hypothesis and the researchers found that (Sig = 0.004) is lower than (0.05). According to the decision rule: Accept the null hypothesis if (Sig) value is greater than (0.05), therefore reject (H021) and accept the alternative hypothesis (Ha). Thus, there is statistical differences in the impact of transformational leadership on employee job satisfaction.
job satisfaction when the IT managers\supervisors, due to gender changed
Regression analysis was used to test our hypothesis and we found that (Sig = 0.777) is greater than (0.05). There is no statistical differences in the impact of transformational leadership on employee job satisfaction when the IT managers\supervisors, due to age changed. Regression analysis was used to test our hypothesis and we found that (Sig = 0.874) is greater than (0.05). (Sig) value is greater than (0.05), therefore accept (H023). Thus, there is no statistical differences in the impact of transformational leadership on employee job satisfaction when the IT managers\supervisors, due to years of experience variation.

4. Conclusion
The results showed that the adoption of managers in IT companies on transformational leadership, in its four dimensions (Idealized Influence "ideal effect", Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration). The Idealized Influence "ideal effect", came in first place, followed by the Inspirational Motivation, Then Intellectual Stimulation, and finally Individualized Consideration. The results also show that the transformational leadership with its four characteristics (Idealized Influence, Inspirational Motivation, Intellectual Stimulation and Individualized Consideration) has an impact on employee job satisfaction. The Idealized Influence characteristic is the dimensions that most commonly impact on job satisfaction on the Jordanian employees in the IT sector. On the other hand, results of the study showed that there were no statistical significant change in the impact of transformational leadership on employee job satisfaction when the employees due to years of experience and age. The results of the study also showed that there is statistical significant change in the impact of transformational leadership in Jordanian software companies on employee job satisfaction due to employee gender.

5. Recommendation
- Promote reliance on transformational leadership pattern in the IT sector, due to its positive impact on employee satisfaction.
- Promote interest characteristics Idealized Influence and Inspirational Motivational leadership dimensions of transformational, due to the significant impact of the employee satisfaction in the IT sector.
- Rising the sense of responsibility among employees by emphasizing employee participation and listening to staff opinions.
- Conducting training sessions for all employees in the upper and middle management levels, to give a clear vision about the concept of transformational leadership and its impact on employee satisfaction.
- Future research may perhaps involve transactional leadership as well as, transformational leadership to study which leadership style is apparent in IT sector in Jordan.
This study observed the relationship between transformational leadership and job satisfaction. Future research could include more variables such as managerial obligation.

References


