



**Addis Ababa University**  
**College of Business & Economics-Department of Management**  
**Executive Masters of Business Administration**

**Research Project Title: The Effect of Leadership Styles on Employee job satisfaction:  
The Case of PEPFAR Implementing University Partners**

**By:-Ruth W/tensay Tesfaye**

**Approved by Board of Examiners**

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**Advisor**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Examiner**

\_\_\_\_\_  
**Signature**

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**Examiner**

\_\_\_\_\_  
**Signature**

**December 2014**

**Certification**

This is to certify that RUTH W/TENSAY TESFAYE has done the study on the topic of “The effect of leadership styles on employee job satisfaction: The case of PEPFAR implementing university partners”. This study is authentic and has not been done before by any other researcher on the same topic.

Advisor’s name \_\_\_\_\_

Signature \_\_\_\_\_

## **Declaration**

I, RUTH W/TENSAY TESFAYE, declare that the research project entitled “The Effect of Leadership styles on employee job satisfaction: The case of PEPFAR Implementing university partners” is my original work that is done under the guidance and advice of my advisor, Dr Matiwos Ensermu.

This research project is done as partial fulfillment for the degree of Executive Masters of Business Administration (EMBA)

This research has not been done before and all sources of materials used for the study have been appropriately acknowledged.

RUTH W/TENSAY TESFAYE



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## A Abstract

*The research study achieved its aims of defining and assessing the relationship between leadership styles (transactional and transformational) and employee's job satisfaction in Presidential Emergency Program for HIV/AIDS Relief (PEPFAR) funded implementing Partner (IP) located in Addis Ababa-Ethiopia. The purpose is to examine the effect of leadership styles on the dimensions of employees' job satisfaction. This study also attempted to investigate what types of leadership styles contribute to the high managers/supervisors and subordinates who have working in head office Addis Ababa were purposively selected. Data were collected from 7 manager/supervisors and 23 subordinate using Bass & Avolio's (2004) Multifactor Leadership Questionnaire (MLQ) which measure transformational leadership and transactional leadership styles and Clark (2009) Employee Job satisfaction survey(JSS) which measure employees' job satisfaction dimensions. Survey data collected from respondents was analyzed using descriptive and cross tabulation analysis.*

*The findings of the study indicated that there was a significant relationship between transactional and transformational leadership style and employees' job satisfaction. The transformational and transactional leadership styles positively influenced job satisfaction of employees' working in these organizations. The findings also revealed that employees preferred transformational leadership style over transactional leadership style as a result the highest mean score of the employee job satisfaction dimension went to transformational leadership style, With the cross tabulation analysis, the data indicated that there was a significant relationship between leadership styles (transformational and transactional) and particular dimensions of job satisfaction i.e. relationships of employees with their supervisors and job independence. There is also an interesting relationship between leadership styles (transactional and transformational) with the biographical variables i.e. Age and Gender. Employees at their younger age they preferred a transformational leader than transactional leader and female employees were satisfied and more inclined to transformational leaders than transactional leaders.*

*Finally, it is the recommendations of the research study that leaders (whether they are transactional or transformational) have an impact on employees' job satisfaction and we observed that there was a significant difference with the relationships of employees with their supervisors and degree of independence particular dimensions of job satisfaction and the style of the organization's leaders.*

**Key words:** *Transformational leadership, transactional leadership and employees' job satisfaction.*

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I also owe my deepest gratitude to PEPFAR implementing partners management and employee for their unreserved collaboration with providing all the necessary information towards the successful completion of this thesis work even if they were in closing down of their project. Moreover, I would like to thank all respondents who participated in this thesis work and other collaborated individuals deserve special thanks for their unforgettable support.

## Acronyms

|        |  |
|--------|--|
| IP     | Implementing Partner                               |
| JSS    | Job satisfaction Survey                            |
| PEPFAR | Presidents Emergency Plan Fund for HIV AIDS Relief |
| MLQ    | Multifactor Leadership Questionnaire               |
| SPSS   | Statistical Package for Social Science             |
| TRAN   | Transactional Leadership Styles                    |
| TRNF   | Transformational Leadership Styles                 |

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# Chapter One - Introduction

## 1.1 Background of the Study

Organizations all over the world are deeply concerned with understanding, searching and developing leadership. Regardless of the type of organization, leadership is discerned to play a vital role in establishing high performing teams. Leaders are facing greater challenges than ever before due to the increased environmental complexity and the changing nature of the organization. If we trace back into history, it becomes evident that leaders should have the ability to draw out changes in relation with environmental demands.

The current era not only demands having a competitive edge and sustained profitability but also the maintenance of ethical standards, complying with civic commitments and establishing a safe and equitable work environment. Leadership is one of the critical elements in enhancing organizational performance. Being responsible for the development and execution of strategic organizational decisions, leaders have to acquire, develop and deploy organizational resources optimally in order to bring out the best products and services in the best interest of stakeholders. In short, effective leadership is the main cause of competitive advantage for any kind of organization (Riaz, Haider, April 2010, pp.29-38)

Leadership is a highly sought-after and highly valued commodity. In the past two decades, the public has become increasingly captivated by the idea of leadership. People continue to ask themselves and others what makes good leaders. As individuals, they seek more information on how to become effective leaders. Many people believe that leadership is a way to improve their personal, social, and professional lives. Corporations seek those with leadership ability because they believe they bring special assets to their organizations and, ultimately, improve the bottom line. (Northhouse, 2013, page 1)

In the existing information based economy, various public and private organizations are moving away from the classical “stone age mind” which is bureaucratic model of administration philosophy towards modern and less bureaucratic styles that are adaptive and creative to the existing environment (Nicholson, 2000)

Leadership is one of the most written about topics, both in the professional literature (management studies, organizational development, and political theory) and in the popular press in the twentieth century. According to Ralph Stogdill and Bernard Bass, there were more than 4,725 studies of leadership prior to 1981. Recently, a staggering and almost unbelievable statistic generated by Amazon.com suggests that since 1989 more than twenty thousand books have been published with the word “leadership” in the title. (Gini and Green, 2013)

Collectively, the research findings on leadership provide a picture of a process that is far more sophisticated and complex than the simplistic view presented in some of the popular books on leadership. (Northouse, 2013, page 1)

Advocators of this school of thought indicate that, there is two types of leadership styles; transformational leadership as being most sensitive to developing a shared vision of a more conducive work culture, contributing to employee commitment and loyalty whereas, transactional leadership creates a less desirable work culture with little concern for working towards an organizational vision.

Employee job satisfaction is affected by the leadership styles being demonstrated by the supervisors within the organization. Experienced leaders are well aware of this fact and plan strategically for the training and development of supervisors. By connecting employees’ job satisfaction to transformational and transactional leadership styles, a statement is forwarded to assess if there is any effect these leadership styles on employees’ job satisfaction.

## 1.2 Statement of the problem

The achievement of any organization rests on the rational use of its resources such as employees, material, information and financial resources. For the achievement of organizational objectives employees are the most valuable assets in an organization. This is because, employees are the only rational animal within the organizational set up which converts input to output or deliver quality services using the other resources as a means. Therefore, organizations need to have capable leaders to lead and motivate their employees in their daily operation and achieve the organizational goal (Bass and Riggio, 2006).

Job satisfaction is the major determinant of organizational achievement. Satisfied employees go beyond the standard, are committed, cooperative, confident, have less absenteeism, and have team spirit to an organization because they feel more satisfied by the leadership styles practiced in the organization (Yammarino, 1997).

Job satisfaction is a key indicator for employees' motivation and also is highly associated with organizational achievement. As suggested by management thinkers, job satisfaction is most likely affected by leadership style. Employees who are satisfied share: low rate of absenteeism, minimum turnover, high confidence and energy level, being cooperative and good team player...etc. It appears that individuals tend to experience greater levels of job satisfaction when their abilities, values and experiences can be utilized in the working environment and when their expectations are met.

This research project focuses on the effect of leadership styles i.e. Transformational and Transactional leadership style on employee job satisfaction. In consideration of this; the current study has assessed the leadership styles (transformational or

transactional) on employees' job satisfaction among Presidential Emergency Plan for AIDS Relief Program (PEPFAR) implementing International University partners.

Understanding the effect of leadership styles and employees' job satisfaction is important for the achievement of the PEPFAR implementing partners since the main objective of these organizations are to acquire, develop and deploy organizations resources optimally in order to bring out the best products and services in the best interests of the stakeholders.

## **1.3 Research objectives**

### **General Objective**

The overall research objective of this study is to assess the relationship between leadership styles (transformational and transactional) and employee's job satisfaction.

### **Specific Objective**

1. To assess the effect of the leadership styles (transformational and transactional) on employees' job satisfaction.
2. To examine the effect of transformational (*idealized influence, inspirational motivation, intellectual stimulation and individualized consideration*) and transactional (*contingent reward, management by exception active and management by exception passive*) leadership styles with employees' job satisfaction.
3. To assess which leadership styles are highly related to which component or dimensions of employee job satisfaction (Transformational or Transactional leadership styles).

## **1.4 Research question**

The research is proposed to answer the following research questions:

1. What is the magnitude of the leadership styles of managers and supervisor's influence on employee's job satisfaction?
2. Which transformational (*idealized influence, inspirational motivation, intellectual stimulation and individualized consideration*) and transactional (*contingent reward, management by exception active and management by exception passive*) leadership styles are related with employees' job satisfaction?
3. Which leadership styles are highly related with which component or dimensions of employees' job satisfaction?

## **1.5 Significance of the study**

The outcome of this study provides information for decision makers about the relationship between leadership styles and employee job satisfaction. An employee who is satisfied feels fulfilled doing the job and go beyond the standard for organizational and personnel growth. This, in turn, will help promote the quality of organizational output by making the working condition better and more conducive.

In addition to this, the study information may serve as operational study to design strategy for developing leadership skill training and development program for managers/supervisors who especially work on Presidential Emergency Plan for AIDS Relief Program (PEPFAR). Moreover, it is believed to bring certain outcomes that would be an input for the future researches in this area and it could also be an addition to the existing literature.

## **1.6 Scope and limitation of the study**

### **1.6.1 Scope of the study**

The research study will consider PEPFAR implementing International University experience on the leadership style for employee satisfaction in Ethiopian context. The

scope of the study is delimited to focus on Presidential Emergency Plan for AIDS Relief Program (PEPFAR) implementing international University partners not all Non-Governmental organizations in the country. In this research only the effect of leadership styles and employees job satisfaction will be considered. Other motivational indicators will not be considered for this purpose.

### **1.6.2 Limitations of the study**

The research was subject to the following limitations.

There is very little literature relating specifically to transformational and transactional leadership style and the effect it has on employee job satisfaction, both nationally and globally.

The study found no evidence of research on transformational and transactional leadership and employee job satisfaction in US funded projects or internationally funded projects who were working in health sector.

The questionnaires were based on the perceptions of employees and therefore increased the chances of subjectivity when completing the questionnaires.

This study focuses only on Presidential Emergency Plan for AIDS Relief Program (PEPFAR) implementing University partners. This will limit the findings of the study. Due to the geographical location, organizational size and resource constraints the study will be restricted to Presidential Emergency Plan for AIDS Relief Program (PEPFAR) implementing University partners. It is anticipated that there will be limited access to confidential data that will be crucial for the research in its depth analysis. Moreover, it is difficult to measure the employee job satisfaction and this might mislead the research analysis.

Despite these shortcomings, the researcher has tried to identify the relationship between leadership styles and its impact on employee job satisfaction.

## **1.7 Organization of the study**

The remaining sections of this research study have been divided into four additional chapters. Chapter two addresses a review of literature, which includes prior research on transformational, transactional leadership styles and employees' job satisfaction. Chapter three discusses the research methodology and instruments used within this study. Results and discussions are presented in chapter four. Within this chapter, an analysis of the relationship between transformational and transactional leadership styles and employees' job satisfaction will be discussed. Chapter five summarizes and concludes on the findings of the study and state recommendation based on the findings.

# Chapter Two - Literature Review

## 2.1 Introduction

This chapter reviews the leadership styles and job satisfaction literature that is relevant to the purpose and research questions of this case study. In particular, leadership theories that pertain to transactional and transformational leadership will be discussed, and trait theories, behavioral theories, and contingency models will be briefly described. Finally, the chapter will review the literature that pertains to the area employees' job satisfaction and its relationship with leadership styles.

For proficient management of an organization human resources are paramount essentials. Efficient leaders and subordinates contribute to achieve organizational goals. It's impossible to get success without managerial effort and dedication.

According to Convey (1996, P. 149), the future leader has to create a culture or a value system centers 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 grow. Organizations that have the passion for continuously in the learning process through listening, seeing emerging trends, sensing and anticipating needs in the marketplace, evaluating the successes and mistakes will have enduring influence. Such leaders will not resist change, but embrace it.

A major success for an organization is leadership. Dynamic and effective leadership involves creating and articulating a vision and plan ensuring companies focused on the customer and creating the necessary environment for employees to do their job and to be innovative. Leadership is all about the practices of envisioning, enabling and energizing the employees (Rad, 2006).

As per the Journal of Human and Social science research Vol. 1, No. 2, employees are the human asset of the organization and leadership is a procedure to influence the

employees in order to achieve the desired result. In order to become successful & innovative organization has to give a chance to their employee's to innovate. Study suggested that employees' innovative behavior play a significant role in order to improve the performance with the condition that, employees have to be willing, motivated and having ability to innovate.

Leaders of any organization are expected to carry out tasks with limited resource to the maximum level in order to maintain the competitive edge and sustain profitability position of the organization (Raiz, & Haider, 2010). The results of previous studies from different countries show that different styles of leadership do not have the same impact on job satisfaction (Stogdill, 1970; Walder, 1995). Based on the Stogdill's (1970) initiating structure, leadership style is more likely to provide greater commitment and job satisfaction in Asian firms, whereas in Western on text consideration leadership style would provide greater job satisfaction.

However previous studies have examined the impact of leadership styles on employee job satisfaction in various settings such as healthcare, military, education and business organizations (Hepworth, & Warr, 1989; Bass, 1990). These studies generally indicate the impact of leadership style on job satisfaction in the context of their countries. In view of this gap, there is need to establish study about the impact of leadership style on the job satisfaction in the context of PEPFAR implementing partners.

The purpose of this study was to examine the effect of leadership styles (transformational and transactional leadership) on employee job satisfaction in International Universities who are working in PEPFAR funded projects in Ethiopia.

## **2.2 Defining Leadership**

There are different types of leadership. Leadership has been defined in terms of individual traits, behavior, and influence over other people, interaction patterns and

role relationships (Yuki, 1998).

Bass (1990) defined leadership as a process of interaction among individuals and groups that includes a structured or restructured situation, members' expectations and perceptions.

Leadership can be explained as the ability of an individual to have power that focuses on how to establish directions by adapting forces (Go et al., 1996). From an organizational perspective, Schermerhorn (1999) believed that leading is a process used to motivate and to influence others to work hard in order to realize and support organizational goals, while Hersey et al. (2001) believed that leadership influences individuals' behavior based on both individuals' and organizational goals. It is possible to conclude from these discussions that leadership is a group of phenomena, whereby leaders are distinctive from their followers, and can influence individuals' activities to achieve set goals in their organizations.

Leadership style is defined as the pattern of behaviors that display during their work with and through others (Hersey and Blanchard, 1993). Miller et al. (2002) view leadership style as the pattern of interactions between leaders and subordinates. It includes controlling, directing, indeed all techniques and methods used by leaders to motivate subordinates to follow their instructions.

Leadership is about setting a direction or developing a vision of the future together with the necessary strategies for producing the changes needed to achieve a vision (Long, & Thean, 2011). Leadership is one of the most observed and least understood phenomena on earth (Burns, 1978). Leadership issues have been widely discussed topic. It attracted the attention of many historians, philosophers, researchers or scholars who wish to explore the true meaning of leadership (Bass, 1990).

The term leadership means different things to different people. Although no ultimate definition of leadership exists (Yukl, 2002), the majority of definitions of leadership reflect some basic elements, including "group" "influence" and "goal"

(Bryman, 1992).

Based on the various definition of Leadership, it can categorized into exercising influence, active involvement or participation of players, providing direction with the intention of bringing about changes, which are useful to both players ( Managers & Employees).

## **2.3 Approaches to Leadership**

In attempting to understand the nature of leadership and its different aspects, it is necessary to discuss the different theories of leadership that have developed over time, as various schools of thought have brought their differing ideas and knowledge to this discipline.

There are various theories of leadership, which attempt to explain the factors involved in the emergence of leadership, the nature of leadership, or the consequences of leadership (Bass, 1990). The various evolutionary approaches to leadership are categorized as those that are traditional in nature (trait, behavioral and contingency approaches) and those that centre on new approaches to leadership, transactional and transformational leadership (Robbins, 1996).

### **2.3.1 Trait Theories**

The earliest research conducted on the concept of leadership focused on identifying the unique qualities or traits that appeared common to effective leaders the idea that leaders are born and not made (Swanepoel, et al., 2000). The leadership trait model was established in the early 1900s, with its associated theories and perspectives. In essence, this was the first attempt at the theoretical understanding of the nature of leadership. Most leadership research before 1945 suggested that certain traits were inherent in all leaders and were transferable from one situation to another (Hersey and Blanchard, 1988). This research led to the identification of some traits that are inherent in most leaders.

Traits theory focuses on the innate leadership qualities and competence. These innate qualities are not found in others. The trait approach attempts to explain leadership effectiveness in terms of the emotional intelligence and psychological traits of the leader. The physiological aspect includes: height, weight, looks, and vigor while the emotional intelligence aspect includes intelligence, confidence, and aggressiveness etc. (Senior, 1997). Numerous studies identified emotional intelligence as a critical element for the success of a leader and as a vital resource for any group (Senior, 1997).

The fact that leaders were naturally born and developed meant that selection would be the key to effective leadership within an organization, rather than other factors such as training and development (Robbins, 1996). The trait approach, however, focuses almost entirely on the physical and personality characteristics (Gerber, et al., 1996). More recently, researchers moved away from assessing individuals in terms of traits, and towards assessing how leader behavior contributes to the success or failure of leadership (Draft, 1999).

### **2.3.2 Behavioural Theories**

Alternative approaches to leadership began to develop after the decline in popularity of trait theories (Swanepoel, et al., 2000). Researchers moved away from assessing individuals in terms of traits, and focused on assessing how leaders' behavior contributes to the success or failure of leadership (Draft, 1999).

But the move away from the trait approach ignited research where leaders were studied either by observing their behavior in laboratory settings or by asking individuals in field settings to describe the behavior of persons in positions of authority, then applying different criteria of leader effectiveness to these descriptions. This resulted in the development of a leadership behavior model which led to the establishment of the “behavioral school of leadership”.

Extensive research has been done in the area of behavioral approaches to leadership. According to Bass (1990) the main behavioral models include “the theory of Lewin, Lippit and White, McGregor’s theory, the Managerial Grid Model of Blake and Mouton and the Ohio State University of Michigan Models”.

The restrictions of these behavioral theories are their omission of situational factors on the level of leader effectiveness. One concern is whether one particular method of leading is appropriate for all situations, regardless of the development stage of the organization, the business environment in which it operates, or the type of people employed by the organization (Senior, 1997). The perception of leadership progressed past the view that there is one best way to lead, and the theorists began to focus on how a leader ought to behave in order to be effective (Senior, 1997)

### **2.3.3 Situational/Contingency Theories**

Dissatisfaction with the trait and behavioral theories gave rise to the situational /contingency approach to leadership. This approach to leadership examined how leadership changes from situation to situation. According to this model, effective leaders diagnose the situation, identify the leadership style that will be most effective, and then determine whether they can implement the required style (Swanepoel, et al., 2000). Prominent among these theories are Fielder’s Contingency Theory of leadership, the Path-Goal Theory of leader effectiveness which embodies transactional leadership, Hersey and Blanchard’s Life-Cycle theory, the Cognitive- Resource theory, and the Decision-Process theory (Bass, 1998).

Situational approaches to leadership have come about as a result of attempts to build upon and improve the trait and behavioral approaches to leadership. The situational approaches emphasize the importance of the situation as the dominant feature in effective leadership, together with the leader and the followers. Different environments require different types of leadership (Hersey and Blanchard, 1988).

Situational leadership does not promote an ideal leadership style, but rather considers the ability of a leader to adapt to the environment. Situational leadership studies the behavior of leaders and their followers in varying situations (Hersey and Blanchard, 1988).

Hersey and Blanchard (1988) argued that there was no best leadership style, but rather that there could be best attitudes for managers. The major advance of the situational approach is the recognition that for different development levels and different types of situations, different leadership styles are more effective. Leadership styles can therefore be defined as the behavior of an organization's leader as influenced by the situation surrounding that leader (Senior, 1997). Yukl (1998) states that although situational leadership theories provide insights into reasons for effective leadership, conceptual weaknesses limit the approach's utility. Thus, it is difficult to derive specific testable propositions from the approach, with the approach not permitting strong inferences about the direction of causality (Yukl, 1998).

There have been many criticisms of the traditional approaches discussed above. One such criticism, by Bass (1990), is that these approaches have not been rigidly tested in practice and are too specific either in defining leadership in terms of traits, behaviors or situation.

### **2.3.4 New Leadership Theories**

Organizations and their environments have changed rapidly over the past years and as a result a new style of leadership, one that is less bureaucratic and more democratic, is needed in order to ensure the survival of organizations (Bass, 1990). Consequently, a new style of leadership has emerged in order to ensure the survival of organizations and to overcome limitations of the trait, behavioral and contingency theories of the past.

The new theories of leadership evolved in reaction to the increasingly sophisticated traditional models, which became difficult to implement (Bass, 1990). This new leadership approach suggests that there are two views of leadership, which are

transactional leadership and transformational leadership (Bass, 1990).

Transformational leadership and transactional leadership have been investigated in numerous empirical studies since Burns (1978) first introduced the concepts in his discussion of political leadership. Burns considered leaders to be either transformational or transactional, while others such as Bass (1985) viewed leadership as a continuum with transformational leadership on one end and transactional leadership on the other end. According to Burns (1978), there are two primary types of leaders whose styles are very opposite from each other. These two varieties of leaders are transactional and transformational.

#### **2.3.4.1 Transformational Leadership**

According to Judge and Piccolo (2004), transformational leadership has proven to be a most popular research topic in leadership literature, given that more studies have been conducted on transformational leadership than on all other popular leadership theories combined.

The most widely researched version of transformational leadership theory was developed by Bass (1985), who stated that transformational leadership occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their self interest for the good of the group (Bass, 1990).

Transformational leadership is the style of leadership that has the ability to motivate and to encourage intellectual stimulation through inspiration (Avolio, 2004). McColl-Kennedy, & Anderson (2005) further defined transformational leadership style as guidance through individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence.

Transformational leaders fundamentally change the values, goals, and aspirations of

followers who adopt the leader's values and, in the end, perform their work because it is consistent with their values and not because they expect to be rewarded.

Transformational leaders build commitment to organizational objectives and empower followers to accomplish objectives by:

- (a) making followers aware of the importance of task outcomes,
- (b) orienting followers toward performance beyond established organizational standards,
- (c) activating higher order intrinsic needs, and
- (d) focusing on follower empowerment instead of dependence (Judge & Piccolo, 2004).

According to Burns (1978), transformational leadership occurs when leaders and followers engage each other in such a way that they raise one another to higher levels of motivation and morality.

A transformational leader is one who arouses followers' interest and awareness in the group or organization, increases the confidence of followers, and endeavors to shift concerns of followers from mere existence to achievement and growth (Bass, 1985).

As a result, followers of transformational leaders are motivated to perform more than they originally expected to perform because of feelings of admiration, respect, trust, and loyalty toward leaders. The most recent version of transformational leadership theory includes four dimensions; idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (Judge & Piccolo, 2004).

The components of transformational leadership have been identified in a variety of ways, including through the use of factor analyses, observations, interviews, and descriptions of a follower's ideal leader. Using the Multifactor Leadership Questionnaire; Avolio, Bass, and Jung (1999) identified the distinct components of transformational leadership.

The four components of what Avolio et al. referred to as a higher order construct of transformational leadership include the following:

**Idealized influence:** These leaders are admired, respected, and trusted. Followers identify with and want to emulate their leaders. Among the things the leader does to earn credit with followers is to consider followers' needs over his/her own needs. The leader shares risks with followers and is consistent in conduct with underlying ethics, principles, and values. Provides vision and sense of mission, instills pride, gains respect and trust.

**Inspirational motivation:** Leaders behave in ways that motivate those around them by providing meaning and challenge to their followers' work. Individual and team spirit is aroused. Enthusiasm and optimism are displayed. The leader encourages followers to envision attractive future states, which they can ultimately envision for themselves. Communicates high expectations, uses symbols to focus efforts, and expresses important purposes in simple ways.

**Intellectual stimulation:** Leaders stimulate their followers' effort to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways. There is no ridicule or public criticism of individual members' mistakes. New ideas and creative solutions to problems are solicited from followers, who are included in the process of addressing problems and finding solutions. It promotes intelligence, rationality, and careful problem solving.

**Individualized consideration:** Leaders pay attention to each individual's need for achievement and growth by acting as a coach or mentor. Followers are developed to successively higher levels of potential. New learning opportunities are created along with a supportive climate in which to grow. Individual differences in terms of needs and desires are recognized. Gives personal attention, treats each employee individually, coaches, and advises.

*Idealized influence* is the charismatic component of transformational leadership in which leaders are respected, admired, and ultimately emulated by followers (Avolio & Bass, 2002). Furthermore, a key component of idealized influence is the development and communication of a shared vision (Jung & Avolio, 2000). The vision inspires followers to accept an ideal futuristic state via the alignment of individual interests and values with the collective interests of the leaders and the organization.

Akin to idealized influence is inspirational motivation, which emphasizes passionate communication of an appealing and inspiring organizational vision that can be shared (Hater & Bass, 1988). By modeling appropriate behaviors and using symbols to focus followers' efforts (Bass & Avolio, 1993), leaders with inspirational motivation provide meaning for tasks, challenge followers with high standards, and communicate optimism about future goal attainment (Judge & Piccolo, 2004). Leaders with inspirational motivation demonstrate commitment to goals and a shared vision in order to inspire followers to view an attractive future state (Stone et al., 2003). The leaders build relationships with followers through two way communication, which forms bonds between leaders and followers and leads to the shifting of personal values toward a common ground.

*Intellectual stimulation* is a transformational leadership behavior that increases follower awareness of problems and encourages followers to view old and familiar issues from new perspectives (Bass, 1985). Leaders who utilize intellectual stimulation solicit followers' ideas, challenge assumptions, take risks, and stimulate creativity in followers (Judge & Piccolo, 2004). These leaders do not publicly criticize followers' mistakes but, instead, encourage creativity in problem solving while emphasizing rationality in decision making (Bass, 1990).

*Individualized consideration* involves leaders providing mentorship, coaching, support, and encouragement to followers in order to attend to followers' concerns and needs.

These leaders both recognize and demonstrate acceptance of differences in followers' needs and desires. The leaders develop and empower followers by maintaining two ways communication, delegating tasks, and unobtrusively monitoring completion of tasks in order to see if and/or when additional support is needed (Avolio & Bass, 2002).

#### **2.3.4.2 Transactional leadership**

Transactional leadership is a style of leadership which focuses on exchanging one thing for another. Avolio et al (1991) conclude that transactional leaders clearly define, communicate and explain how the work should be done. The rewards that will be made if the requirements of the work are met are also clearly communicated. Transactional leaders can be identified by those leaders who perform transactions among their constituents. Transactional leaders operate within existing systems, they believe in delivering penalties for noncompliance of requests (Bass & Avolio, 1993).

Transactional leadership is an exchange-based relationship where self-interest is dominant. Transactional leaders work within their organization's culture and follow existing rules, procedures, and operative norms (Bass & Avolio, 1993). Transactional leadership relies on the use of appropriate rewards to motivate followers (Pearce & Sims, 2002). Also it focuses and emphasizes on completion and accomplishing of allocated tasks on hand. This type of leader maintains and preserves harmony working relationships coupled with promises on rewards for satisfactory performance .

Furthermore, this leadership focused on leader-follower exchanges in which followers or subordinates are expected to carry out his or her duty and perform according to the given instruction. Interpreted as a non-transactional kind of leadership style in which prompt decisions are not made with delay in action taken, coupled with ignoring of leadership responsibility and non-exercise of authority (Huberts, et al, 2007).

Transactional leaders use strategy, structure and culture to strengthen the organization. Transactional leadership can be illustrated primarily through a system of

contingent reward exchanges and active management by exceptions (Avolio, Bass, & Jung, 1999). This style of leadership is generally characterized through a process of goal setting, setting of expectations, defining how followers will be rewarded, and finalized with constructive feedback. Also, transactions may be denoted as either active or passive between leader and follower (Hater & Bass, 1988). Transactional leadership is a primarily exchange oriented relationship that is a task focused (Bass, 1985).

Transactional leadership can result in follower compliance; however, since the transactional leader primarily emphasizes giving followers something they want in return for something the leader wants, transactional leadership is not likely to generate great enthusiasm and commitment among followers (Bass, 1985).

According to Bass the three components of different types of transactional leadership behavior inherent summarized below;

**Contingent Reward:** These rewards are for good effort, good performance, and to recognize accomplishments.

**Management by exception active:** This behavior involves monitoring followers and correcting action, when necessary, to ensure that the work is carried out effectively. In other words, leaders watch and search for deviations from rules and standards.

**Management by exception Passive:** This involves intervening only if standards are not met. The leader uses contingent punishments and other corrective action to respond to obvious deviations from acceptable performance standards.

*Contingent reward behavior* involves clarification of expectations and tasks required to obtain rewards, as well as the use of incentives to influence followers' motivation. The clarification of goals and objectives and providing of recognition once goals are achieved should result in individuals and groups achieving expected levels of performance (Bass, 1985). In contingent reward leadership, the leader and follower negotiate an agreement regarding recognition and/or rewards to be issued to the follower in exchange for a specific level of performance. In essence, transactional

leaders use contingent reward behavior to set up constructive transactions with followers in order to achieve work goals.

*Management by exception behavior* is the degree to which leaders enforce rules to avoid mistakes and take corrective action on the basis of results of leader follower transactions (Judge & Piccolo, 2004). Transactional leaders who practice management by exception focus on followers' mistakes and intervene only after work standards have not been met. Active management by exception involves leaders actively monitoring follower performance in order to anticipate deviations from standards prior to their becoming problems (Hater & Bass, 1988). The leader specifies the standards for compliance, as well as what constitutes ineffective performance, and may punish followers for being out of compliance with those standards. This style of leadership implies closely monitoring for deviances, mistakes, and errors and then taking corrective action as quickly as possible when they occur.

On the other hand, leaders who practice passive management by exception wait until followers' behaviors have created problems before they take corrective action against obvious deviations from performance standards. Such passive leaders avoid specifying agreements, clarifying expectations, and providing goals and standards to be achieved by followers. In either of the two cases of management by exception, leaders emphasize the use of tactics such as discipline, punishment, and negative feedback to foster desirable performance (Bass & Avolio, 1993). 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. There are several fundamental distinctions between transactional and transformational forms of leadership.

## 2.4 Research on Transformational and Transactional Leadership

Transactional and transformational are the two modes of leadership that tend to be compared the most. James MacGregor Burns distinguished between transactional leaders and transformational by explaining that: transactional leader are leaders who exchange tangible rewards for the work and loyalty of followers. Transformational leaders are leaders who engage with followers, focus on higher order intrinsic needs, and raise consciousness about the significance of specific outcomes and new ways in which those outcomes might be achieved. Transactional leaders tend to be more passive as transformational leaders demonstrate active behaviors that include providing a sense of mission.

**Table 2.1 presents some of the characteristics that distinguish transactional and transformational leadership**

| Transactional  | VS. | Transformational   |
|--|-----|--|
| Leadership is responsive   |     | Leadership is proactive  |
| Works within the organizational culture  |     | Works to change the organizational culture by implementing new ideas.  |
| Employees achieve objectives through rewards and punishments set by leader                       |     | Employees achieve objectives through higher ideals and moral values  |
| Motivates followers by appealing to their own self-interest                                      |     | Motivates followers by encouraging them to put group interests first   |
| Management-by-exception: maintain the status quo; stress correct actions to improve performance. |     | Individualized consideration: Each behavior is directed to each individual to express consideration and support.<br>Intellectual stimulation: Promote creative and innovative ideas to solve problems. |

Having said about the contrasting leadership style with the transactional/transformational models, they 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 objectives (Howell & Avolic, 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, organization or society by a transformational leader(Bass,1997).

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 paradigm comprised of complementary rather than polar constructs.

According to Avolio et al(1991), transactional leadership is an effective means of maintaining and or achieving standards of performance. Transactional leadership can provide goal clarity and acceptance of responsibility from followers. However, this style of leadership cans only 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.

The other hand, research has shown that transformational leadership exhibited to a greater degree at the top of the organization, especially organizations that select leaders based on their ability to change and improve the organization (Avolio et al, 1991) Transformational leadership cascades from one organizational level to the next, which implies that transformational leaders either select transformational followers or develop them. Transformational leadership shouldn't be viewed as a replacement for other types of leadership, but should rather add to other styles of expanding leaders' portfolio of skills. The new leadership doesn't replace the conception of leadership as exchanges of reinforcements by the leader that are contingent on followers'

performance. Rather the new leadership adds the role of the transformational leader in enlarging and elevating followers' motivation, understanding, maturity and sense of self-worth(Bass,1997)

According to Huges wt 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 organizations 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 o individual performance. Many studies have reported positive relationships between transformational leadership and follower performance.

Burns(1978) limits transformational leadership to enlighten 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) emphasizes that leaders who appeal to lower-order needs, such as safety, subsistence and economic needs, will not be excluded(Yuki,1998)

According to Singer and Singer(1990),subordinate satisfaction and effective ratings had higher correlation with leader's transforming behavior ratings with transactional

behavior 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 organization.

Avolio and Bass; Avolio and Goodheim(as cited in Hater & Bass,1988) found that transformational leadership isnot uncommon in different organizational settings, nor is it limited to executives and world class leaders. Some degree of transformational leadership has been practiced 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 organizational 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, the transformational leadership shown by managers in the financial industry in Canada was significantly and positively related to performance. Transformational compared to transactional leadership has also been shown to be more strongly correlated with lower turnover rates, higher research productivity, higher satisfaction and commitment, as well as greater organizational 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 in conclusive, considering that the majority of the organizations studied were dominated by males.

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

Although transformational leadership theories contribute to understanding leadership effectiveness, their uniqueness is questioned (Yuki, 1999). Newer theories tend to ignore or discount earlier theory and research on leadership behavior. Despite all the hype about a “new paradigm” of studying leadership, most of the research uses the same superficial met jobs 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.

Bycioand 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 leader and morale-related outcomes.

According to Bass and Avoilio(1990), that transformational leaders re 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 behavior.

## 2.5 Employees' Job Satisfaction

This section examines job satisfaction and its definition, theories of job satisfaction and research pertaining to job satisfaction to transformational & transactional leadership style.

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 (1988), job satisfaction is an employee's general attitude towards his or her job. Job satisfaction can also be considered a global feeling or attitudes 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).

Job satisfaction refers to the sincere feelings of an employee towards his job (Bowen, Cattell, 2008).

Job satisfaction is composition of intrinsic and extrinsic factors. It includes certain factors of satisfaction such as salary, allowances, encouragement, working conditions, supervision styles, organizational policies, reporting relations and self-sufficiency.

Thierry(1998),views job satisfaction as a concept that should be embedded in a model or theory on the motivation of work behavior 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 organizational practices(Griffin &Baterman,1986). Job satisfaction is associated with how well people's personal expectations at work are aligned with outcomes. (McKenna,2000)

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

Job satisfaction can 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 may be deduced that there is a general factor that can be labeled job satisfaction (Theron, 1999).

According to Locke (1975), job satisfaction involves the following dimension;

**Work**, which is inclusive of intrinsic interests, variety, opportunity for learning and enhances for success.

**Pay**, including amount, fairness and equity.

**Promotion**, including opportunities

**Recognition** including raises for accomplishment and credit for work done.

**Benefits** which include pension, medical, annual leave and vacation leave

**Working conditions** such as equipment, ventilation and location

**Supervision** includes supervisory style and influence and human relations

**Coworkers** including competence, helpfulness and friendliness

**Company and management** which includes concerns for the employee research.

According to Quick (1998), each person has a different set of goals and can be motivated if he/she believes that: there is a positive correlation between efforts

and performance; effective performance will result in a pleasing reward; the reward will satisfy an important need; and the desire to satisfy the need is strong enough to make the effort meaningful.

Vroom (1964) suggested that the motivation to work depends on the relationships between expectancy, instrumentality and valence. Expectancy is a person's belief that working hard will result in a satisfying level of job performance. Instrumentality is an employee's belief that successful performance will be followed by rewards. And valence is the value a person holds with respect to outcomes. Leadership style is an important determinant of employee job satisfaction. The reactions of employees to their leaders will usually depend on the characteristics of the employees as well as on the characteristics of the leaders. Employee job satisfaction is influenced by the internal organization environment, which includes organizational climate, leadership types and personnel relationships.

## **2.6 Relationships of Leadership style and job satisfaction**

A study explored that the leadership style has a great influence on employee's job satisfaction. A specific style of manager was not enough for running organization efficiently & effectively. Manager has to choose the different leadership styles for different situations. The study suggested that the styles were chosen by considering the organization's culture (Rad, 2006) Leadership is a paramount variable which has an impact on behavioral features of life of any organization.

Based on this, Northouse (2007) described that leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Furthermore, Leadership style is the manner and approach of providing direction, motivating people and achieving objectives. Leadership styles are behavioral models used by leaders when working with others. As asserted by Chemers (2007) leadership is the executive of organizational intelligence in which leadership effectiveness is linked to organizational performance and truly important in each organization. Also, Obiwuru

et al (2011) stated that the leadership styles are predictor to leadership effectiveness whereby leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization.

Therefore, we can deduce that the fundamental factors influencing the effectiveness of an organization are leadership and employee job satisfaction. Leadership is considered one of the most important determinants of employee job satisfaction. It extensively influences employees' motivation and dedication. While the correlation between leadership style and job satisfaction has been studied in a wide variety of fields and in an equally wide variety of settings, few of these studies focus on this relationship in the context of higher education. And the ones that do concentrate on academic leadership and faculty job satisfaction in the context of North America and Europe. Though leadership has long been of interest to historians and philosophers, scientific studies only began in the early 1900s. Still, the body of knowledge has since been fast growing as attested by the more than 350 definitions of the term which scholars have come up with. Giving one specific definition of leadership is a thus very complex task.(Scholars research library on European Journal of Sport & Exercise *Science*,2013,2(1):7-10)

## 2.7 Integration of the literature review and the research study

Leadership is about setting a direction or developing a vision of the future together with the necessary strategies for producing the changes needed to achieve a vision (Long, & Thean, 2011). Leadership is one of the most observed and least understood phenomena on earth (Burns, 1978). Leadership issues have been widely discussed topic. It attracted the attention of many historians, philosophers, researchers or scholars who wish to explore the true meaning of leadership (Bass, 1990).

The research findings of this study had obtained information about the effect of transformational and transactional managers on subordinates' job satisfaction. There

was an integration of the significant findings of the research study with the literature review discussed in chapter 2.

According to Bass (1994), research in different organizations, sectors in society and countries have shown distinct patterns of behavior in transformational and transactional leadership style.

In a research study of job satisfaction and leadership styles in **Australia**, especially in hospitals, military, educational and business organizations, found that there is a relationship between in leadership styles and job satisfaction. (Bartolo & Furlonger, 2000).

In **Pakistan**, the banking industry sector has been increased with alarming rate so that many educated population is working over in the banking sector. For them, employees' job satisfaction is very crucial factor for the success of this industry. However, the employees' job satisfaction was influenced by the leadership style of the bank manager in a way s/he guides the subordinates to perform a specific task. And with this research study, the Pakistan banking sector try to define the type of leadership style that give more job satisfaction to the employees at the work place i.e. the transformational leadership style specifically the consideration style of the leaders.(Arabian Journal of Business and Management Review Vol. 1, No. 12; July 2012).

In **Malaysia**, according to Voon, et al, (2011) the influence of leadership styles on employees' job satisfaction in public sector organizations, showed that transformational leadership style has a positive relationship with job satisfaction where as transactional leadership style has a negative relationship with job satisfaction in government organization. Further empirical studies such as the study carried out by Rossmiller (1992) revealed that teachers s' perception of principals' transformational leadership skills, has significant impact on teachers' job satisfaction and often concluded that principals of the school practicing transformational leadership are more likely to foster and enhance job satisfaction among teachers. Leadership characterized

by role modeling and openness contribute more to reduction integrity violations by employees than leadership characterized by strictness (Huberts, et al, 2007).

According to Hmidifar (2010) also conducted similar study by using questionnaire, the result showed that there is significance positive influence of transformational leadership factor on employee job satisfaction. Transformational leadership behavior was found significantly affecting predicting variable and in some cases transactional leadership behavior. Transactional leadership style provides high satisfaction and organizational identification as compared to transformational leadership style (Riaz, & Haider, 2010).

In **Mogadishu-Somalia**, the research study conducted in some selected universities of Mogadishu. And the result of the study indicated that there is a positive and significant relationship among transformational and transactional leadership and job satisfaction. In other words, there is a strong relationship between transformational leadership style and job satisfaction while there is weak relationship between job satisfaction and transactional leadership. That means the instructors prefer transformational leadership than transactional leadership.

Based on the literature review and the results of previous studies from different countries show different styles of leadership but it doesn't have the same impact on job satisfaction (Stogdill, 1970 & Walder 1995). And what the researcher observed from this study that the transactional and transformational leadership style of the managers had an impact on the employees' job satisfaction, especially on the relationships of the employees with their supervisors/managers and degree of independence. In addition the leadership style of the managers/supervisors was also affected by the age and gender. Besides this, there were no as such a significant relationship between the leadership styles and the other dimensions of job satisfaction.

## 2.8 Conceptual framework

The theoretical framework that guides this study is Burns' original idea of transformational leadership theory, developed in (1978), as later modified by Bass (1997). As cited on Sarah Simpson, it states that the transformational leader motivates its followers by inspiring, setting challenges and motivating personal development. Transformational leadership encourages the achievement of high collective standards, through a sense of purpose and a common mission and vision.

Although, numerous dimension of transformational leader have been theorized, it is widely accepted that, the model of transformational and transactional leadership incorporates seven different factors. And these factors are also illustrated in the full range of leadership model in Fig. 1 below. ( Northouse, 2013, Page 194)

Leadership is a combination of strategy and character. The two most commonly seen and used leadership styles are transformational and transactional leadership.

Transformational leadership style is capable of creating a significant change in both individuals and the wider organization by realigning; expectations, aspirations, perceptions and values. It is heavily reliant on a leader's personality, character, vision, challenge and example setting (Sarah Simpson & bookboon.com, 2012).

It comprises the following qualities:

- I. **Idealized influence:** provide mission and sense of mission; instill pride, gains respect and trust.
- II. **Individualized consideration:** Gives personal attention, coach advice.
- III. **Inspirational motivation:** Communicate high expectations; express important purposes in simple ways.
- IV. **Intellectual stimulation:** Promote intelligence, Rationality, and care full problem solving.

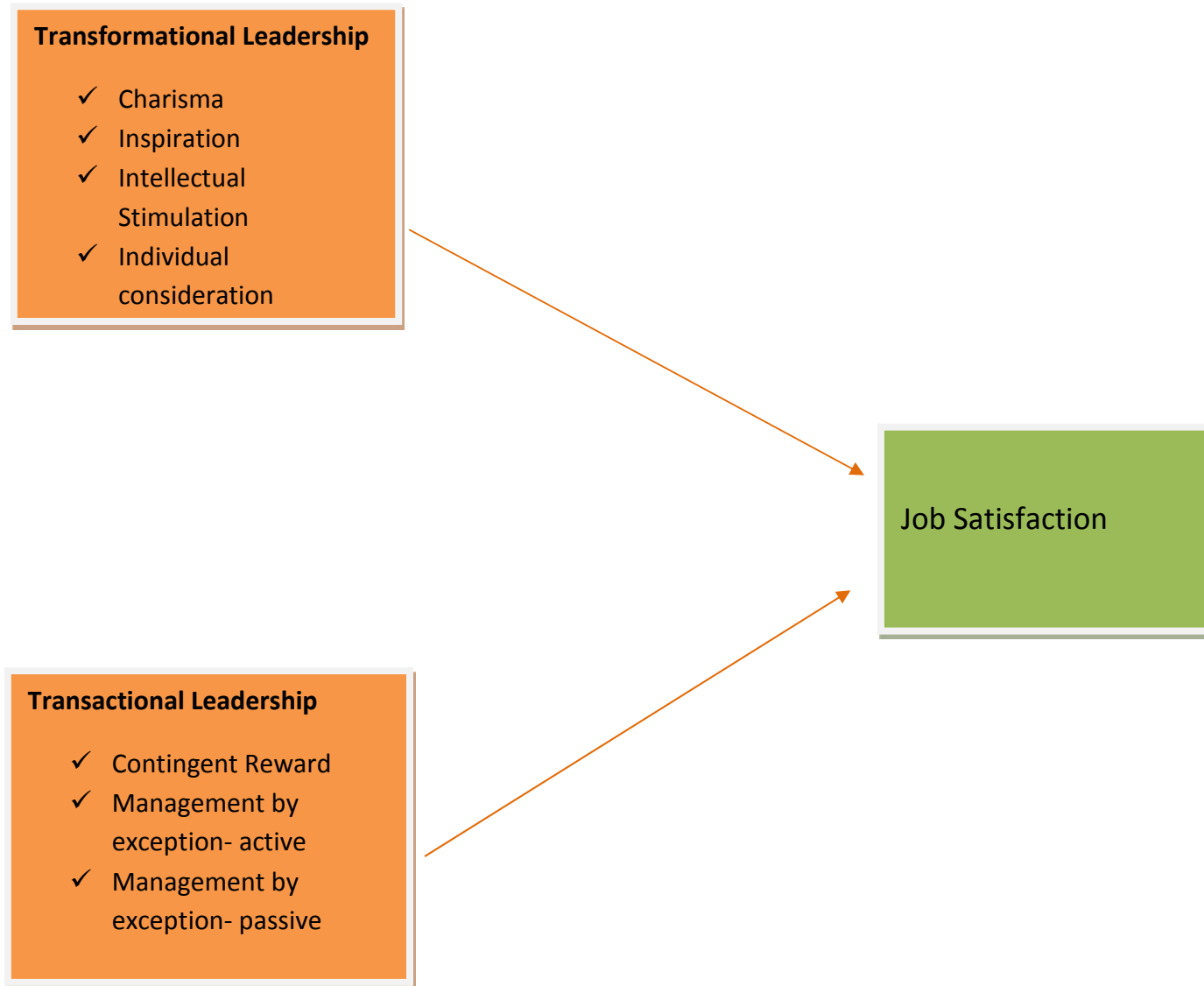
Transactional leadership style, in which the leader clarify expectations for direct reports, help direct reports achieve desired rewards and avoid punishment (Avolio & Bass, 1988) as cited by Brent J. Goertzen.

Transactional Leaders behavior comprises three categories:

- i. **Contingent Reward:** Contracts exchange of rewards for effort, promise rewards for good performance, recognizes accomplishments.
- ii. **Management by Exception -Active:** Watches and searches for deviations from rules and standards, takes corrective action.
- iii. **Management by Exception -Passive:** Intervenes only if standards are not met.

In this study, transformational and transactional leadership styles were conceptualized as relating to employees' job satisfaction. These concepts were studied in order to examine possible relationships between the results of the MLQ and JSS questionnaire.

**Fig.1-Conceptual framework; Leadership styles (transformational and transactional) and employee job satisfaction** (Arabian Journal of Business and Management Review, Vol. 1 No. 12, July 2012)



## Summary

This chapter described the literature review of the leadership styles and job satisfaction dimensions including prior research conducted in these areas.

The research design and methodology will be discussed in chapter3.

# Chapter Three - Research Design & Methodology

## 3.1 Introduction

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

## 3.2 Population and Sample

Employees who had been employed in the PEPFAR implementing partners were selected to participate in the study. The total populations of 200 technical and administrative employees in the head office of those PEPFAR implementing partners were reduced to 100 due to the strategic shift in the PEPFAR funding scheme i.e. instead of using the international university partners as prime recipient they prefer to fund directly to the beneficiaries. A sample of 49 employees was randomly selected at the head office of the each of the University partners' organization. The respondents were required to complete the questionnaires for the purpose of the research study. Out of the 49 questionnaires distributed, 35 were returned and 5 were rejected due to data quality check. As a result of the data quality check, the final sample size will be 30 i.e. 7 managers' and 23 employees' responded out of the 100 employees and it represents 30% of the total population.

## 3.3 Research Approach/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 leadership styles i.e. transformational & transactional leadership styles and employees job satisfaction;

- 1) Multifactor Leadership Questionnaire (MLQ)
- 2) Job satisfaction Survey (JSS)

### 3.3.1 Multifactor Leadership Questionnaire (MLQ)

The MLQ is the most widely used instrument to assess leadership styles i.e. transformational & transactional leadership styles (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 managers and believe their leaders were effective(Huges et al,1983).

The Multifactor Leadership Questionnaire (MLQ—also known as MLQ 5X short or the standard MLQ) measures a broad range of leadership types from passive leaders, to leaders who give contingent rewards to followers, to leaders who transform their followers into becoming leaders themselves. The MLQ identifies the characteristics of a transformational leader and helps individuals discover how they measure up in their own eyes and in the eyes of those with whom they work. Success can be measured through a retesting program to track changes in leadership style.

Accessed date from internet on Dec. 25, 2014:

<http://www.mindgarden.com/products/mlq.htm#overview>)

The MLQ represents a broad range of leadership behaviors, and differentiates between ineffective and effective leaders. It also focuses on individual behaviors, observed by associates at an organizational level that transform individual and organizations. (Bass and Avolio, 1997)

The MLQ questionnaire contains 31 items that identify and measure key leadership and effectiveness behavior found to be strongly linked to both individual and organizational success. The MLQ also contains biographic information. Each of the 31 leadership style questions in the MLQ is measured by two inter-correlated items and its possible items of the other seven components.

The MLQ measures subordinates perceptions of transactional and transformational leadership, and assesses perceptions of leadership behaviors that generate the high-order developed needs and performance effects which results in employee job satisfaction.

The MLQ assesses four components of transformational leadership and three components of transactional leadership.

The assessment scales comprises the following (see chapter 1-Conceptual framework)

**1) Transformational Leadership**

- 1.1 Charisma
- 1.2 Inspirational motivation
- 1.3 Intellectual stimulation
- 1.4 Individual consideration

**2) Transactional Leadership**

- 2.1 Contingent reward
- 2.2 Management by exception (active)
- 2.3 Management by exception (passive)

The Outcomes of Leadership style will be extra effort, effectiveness and satisfaction.

The research study mainly focus on the employee job satisfaction by using the Job Satisfaction Survey questionnaire has been explained in 2.5 the literature review section.

**A five point likerts scale is used for rating the frequency of observed manager/leader behaviors;**

Rating scale for leadership items;

- 0 = Not at all
- 1 = Once in a while
- 2 = Sometimes
- 3 = Fairly often
- 4 = Frequency, if not always

Raters will complete the MLQ thirty one specific behaviors in order to evaluate how frequently, and to what degree they have observed the focal manager /leader specific behavior (Bass & Avolio, 1997).

The MLQ is self-explanatory and is completed individually. The questionnaire provides clear instructions for its completion. The respondents can circle the rating scale of

their manager/leader specific behavior explained in the questionnaire. There is no time limit for the MLQ individuals are allowed to complete the questionnaire without direct supervision (Bass & Avolio, 1997).

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

Here is the interpretation of the scores;

- Scores of 0, 1 and 2, indicate a transactional leadership style i.e. contingent reward, management by exception (active) and management by exception (passive).
- Scores above 3 indicate transformational leadership styles mainly, intellectual stimulation, idealized influence, inspirational motivation and individualized consideration (Bass & Avoilo, 1997).

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

### **3.3.2 Job satisfaction survey (JSS)**

In 1985, Spector developed the JSS to assess six dimensions of the job satisfaction as well as overall job satisfaction. The JSS was specifically designed for the public sector and non-profit organizations although it is also applicable to other organizations. The scale was intended to cover major aspects of job satisfaction, with subscales that were clearly distinct in the context. The development of the JSS was predicted on the hypotheses that job satisfaction represented an effective or attitudinal response to a job. It was designed to give an overall attitude score as a combination of individual facets (Spector, 1985).

For the purpose of the study, a factor scale was used. The JSS measures the items required for the purpose of the research. The questionnaire also contains biographical information. The revised JSS dimensions contain five job dimensions. Each of the five

dimensions has 18 components under it. The total of all items produces a total score. Each of the five JSS dimensions is scored by combining respondents to its two items. (Spector,1997).

**Table 3.1** presents the five dimensions of the job satisfaction, as well as overall job satisfaction being measured by the JSS

| No. | Job Dimension(JD)             | Components of the JD                                   |
|-----|-------------------------------|--|
| 1   | General Working Conditions    | Hours worked each week                                 |
|     |                               | Flexibility in scheduling                              |
|     |                               | Location of work                                       |
|     |                               | Amount of paid vacation time/sick leave offered        |
| 2   | Pay and Promotional potential | Salary   |
|     |                               | Opportunities for Promotion                            |
|     |                               | Benefits (Health insurance, life insurance, etc.)      |
|     |                               | Job Security   |
|     |                               | Recognition for work accomplished                      |
| 3   | Work relationships            | Relationships with your co-workers                     |
|     |                               | Relationship(s) with your supervisor(s)                |
|     |                               | Relationships with your subordinates (if applicable)   |
| 4   | Use of skills and abilities   | Opportunity to utilize your skills and talents         |
|     |                               | Opportunity to learn new skills                        |
|     |                               | Support for additional training and education          |
| 5   | Work activities               | Variety of job responsibilities                        |
|     |                               | Degree of independence associated with your work roles |
|     |                               | Adequate opportunity for periodic changes in duties    |

Each of the five dimensions contains components and each of the components is rated by the following rater scale.

A five point scale is used for raters to provide their answers;

|   |                              |
|---|------------------------------|
| 1 | = Strongly disagree          |
| 2 | = Disagree                   |
| 3 | = Neither disagree nor agree |
| 4 | = Agree                      |
| 5 | = Strongly agree             |

Raters are requested to complete the questionnaire regarding their satisfaction about their jobs. The JSS is self explanatory and is completed individually. The questionnaire provides clear instructions as to its completion. Individuals are allowed to complete the questionnaire without direct supervision (Spector,1997).

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 5. Respondents can therefore have a score from 1 to 5 for each item.

Here is the interpretation of the scores;

- Scores of 1, 2 and 3, indicate an employee not satisfied by his/er supervisor style of leadership so s/he has a transactional leadership style.
- Scores above 3 indicate an employee satisfied by his/er supervisor style of leadership so s/he has a transformational leader.

### **3.4 Data Collection Techniques**

The data collection process is a challenge to the social science researcher because of people's background, behavior, personality, rational, and judgmental approach to respond to each rating scales in the research study. 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. Therefore, the researcher used the most widely used data collection instrument for this study i.e. MLQ and JSS.

The following data collection procedure was followed to protect the data and the respondents' response;

- 1) A covering letter was prepared explaining the aim of the research, the confidentiality of the responses and instructions for completion.
- 2) A biological questionnaire was drawn up containing questions on the variables; job level, gender, age, marital status, level of education and tenure.
- 3) The MLQ and JSS were sent out with a question and answer sheet.
- 4) The covering letter, biographical questionnaires were sent to managers and their subordinates.
- 5) The MLQ (Manager questionnaire) was sent to the managers(who had between 8 and 10 subordinates)
- 6) The MLQ (rater questionnaire) together with the JSS were sent to subordinates of the relevant managers.
- 7) The managers as well as their employees were asked to complete the questionnaires anonymously and return them directly to the researcher.

The MLQ comprised of managers and employees 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 subordinates job satisfaction. The subordinates were also asked to return the questionnaires directly to the researcher, using the email system.

## **3.5 Data Analysis**

The SPSS (Statistical Package for Social Sciences) was used to analyze the data statistically (Bryman & Cramer, 1997).

### **3.5.1 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.

### **3.5.2 Cross- tabulation**

The cross-tabulation analysis provides information about

#### **3.5.2.1 The results of the one variable against another variable**

Cross-tabulation gives a basic picture of how two variables inter-relate and helps to see the pattern of interaction. The purpose of the cross-tabulation analysis was to consider the relationships of the two groups used in the study, namely transformational and transactional leadership styles, and then to establish whether there was a difference in terms of the different job satisfaction dimensions.

#### **3.5.2.2 The independent variables with the biographical variables like age and gender.**

#### **3.5.2.3 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 4.

# Chapter Four - Research Findings & Interpretation of Results

## 4.1 Introduction

This chapter presents the analysis and interprets the research study findings and discusses the effect of transformational and transactional leadership style on employees' job satisfaction.

The total population of the study was reduced to 100 due to the closing down of the projects. Then 49 employees were randomly selected at the head office of the each of the University partners' organization. Out of the 49 questionnaires distributed, 35 were returned and 5 were rejected due to data quality check. That means the final completed questionnaires were 30. The following descriptive statistics for the sample (N=30) provide a profile for the respondents in terms of their job level, gender, age and tenure in the organization.

### 4.1.1 Job level

Of the total respondents, 7 (23%) were managers and 23 (77%) were subordinates reporting to the managers.

### 4.1.2 Gender

Of the total respondents, 27% were female and 73% were male, respectively.

### 4.1.3 Age

The majority of the respondents i.e. 60% were between 31 and 40 years of age. There is no employee present below the age of 20 and above the age of 50 but 27% were between 21 and 30 and the rest 13% were between 41 and 50.

### 4.1.4 Tenure

The majority 73% of the respondents had worked for the organization above 4 years; 3% had worked for the organization below one year; 10% had worked for the organization between 2 & 3 years and the rest 14% had worked for the organization between 3 and 4 years, respectively.

## 4.2 Interpretation of Results

The data was analyzed by using SPSS version 20 for statistical analysis. Once the completed surveys were verified, the researcher then coded the responses in each questionnaire. All data collected were entered by the researcher. For example: All the thirty one MLQ questions were coded from V1 to V31 and entered according to the number that was assigned to them. The same is true with the JSS questionnaires. All the job dimensions were coded from VJ1 to VJ18. Both the MLQ and JSS were answered on a rating scale from 0 to 4 and 0 to 5, respectively. The biographic information were also coded and entered into the SPSS system.

The results were interpreted by using the means and standard deviations of the job satisfaction dimensions, then comparing the transformational and transactional leadership styles. The results of the cross tabulation analysis with significant job satisfaction dimensions between the transactional and transformational leadership styles and the results of transactional and transformational leadership style in terms of the age and gender of employees were discussed.

## 4.3 Means and standard deviations of the job satisfaction dimensions

The means and standard deviations for the JSS dependent variable i.e. employees' job satisfaction were calculated and presented in table 4.1.

**Table 4.1 the means and standard deviations of the dimensions of job satisfaction (N=30)**

| Descriptive Statistics    |                                |    |      |      |                |         |         |
|---------------------------|--------------------------------|----|------|------|----------------|---------|---------|
| Variables                 |                                | N  | Mean |      | Std. Deviation | Minimum | Maximum |
| General Working Condition | VJ1(Hours worked each week)    | 30 | 4.13 | 3.82 | 0.571          | 3       | 5       |
|                           | VJ2(Flexibility in scheduling) | 30 | 3.53 |      | 0.86           | 1       | 5       |

|                             |   |    |      |      |       |   |   |
|-----------------------------|---|----|------|------|-------|---|---|
| s                           | VJ3(Location of work)                                     | 30 | 3.73 |      | 0.98  | 1 | 5 |
|                             | VJ4(Amount of paid vacation time)                         | 30 | 3.87 |      | 0.681 | 2 | 5 |
| Pay & Promotion potential   | VJ5(Salary)   | 30 | 3.97 | 3.43 | 0.669 | 2 | 5 |
|                             | VJ6(Opportunities for promotion)                          | 30 | 3.2  |      | 1.157 | 1 | 5 |
|                             | VJ7(Benefits)   | 30 | 3.7  |      | 0.915 | 1 | 5 |
|                             | VJ8(Job security)   | 30 | 2.57 |      | 1.455 | 1 | 5 |
|                             | VJ9(Recognition for work accomplished)                    | 30 | 3.7  |      | 1.119 | 1 | 5 |
| Work Relationships          | VJ10(Relationships with your co-worker)                   | 30 | 3.97 | 4.13 | 0.999 | 3 | 5 |
|                             | VJ11(Relationships with your supervisor)                  | 30 | 4.33 |      | 0.547 | 1 | 5 |
|                             | VJ12(Relationships with your subordinates)                | 24 | 4.08 |      | 1.1   | 0 | 5 |
| Use of skills and abilities | VJ13(Opportunities to utilize your skills)                | 30 | 3.8  | 3.71 | 1.031 | 1 | 5 |
|                             | VJ14(Opportunities to learn new skills)                   | 30 | 3.9  |      | 1.125 | 1 | 5 |
|                             | VJ15(Support for additional training)                     | 30 | 3.43 |      | 1.251 | 1 | 5 |
| Work activities             | VJ16(Variety of job responsibilities)                     | 30 | 3.63 | 3.40 | 0.928 | 1 | 5 |
|                             | VJ17(Degree of independence)                              | 30 | 3.33 |      | 1.093 | 1 | 5 |
|                             | VJ18(adequate opportunity for periodic changes in duties) | 30 | 3.23 |      | 1.223 | 1 | 5 |
|                             | Valid N (listwise)  | 24 |      |      |       |   |   |

**Table 4.1 indicates the means, standard deviations, minimum and maximum scores of the job satisfaction dimensions.**

According to table 4.1, the mean score of work relationships (VJ10-VJ12) (4.13) was the highest in comparison to the other job satisfaction dimensions category like general working conditions, pay and promotion potential, use of skills & abilities and work

activities. Out of the work relationships, the maximum mean score went to the subordinates' relationships with their manager/supervisor (VJ11) that is the mean score was 4.33 and the standard deviation was 0.547, respectively. It was therefore inferred that most of the subordinates were satisfied with the work relationship they had with their managers or supervisors, although the standard deviations indicated that there were subordinates who perceived job satisfaction as being less positive with regard to their supervisors.

The mean score for the general working condition dimension (VJ1-VJ4) of job satisfaction was 3.82 and the maximum score was 5. Out of the mean score of the category of the general working condition, most of the subordinates were satisfied by the number of hours worked each week (VJ1) (mean score of 4.13 & std dev. 0.571) and the location of the work (VJ2) (mean score of 3.53 & std. dev. 0.86). In general, this result meant that most employees were satisfied with the general working condition in which they were engaged.

With regard to the use of skills and abilities dimension (VJ13-VJ15), the category means score was 3.71. Out of the mean score of the use of skills and abilities, most of the employees were satisfied by the opportunities they learn to new skills (VJ14) (mean score of 3.90 & std. dev. 1.125). The mean score of the support for additional training (VJ15) is the lowest compare to the others (mean score of 3.43 & std. dev. 1.251). This indicated that subordinates were dissatisfied with their organization since they didn't get any support for additional trainings compare to the category of use of skills and abilities.

According to table 4.1, the mean score for pay and promotional potential (VJ5-VJ9) was 3.43 and maximum score was 5. Out of the pay & promotional potential, the highest mean score and the lowest standard deviation for the pay dimension (VJ5) were 3.97 (highest compare to the others) and 0.669 (lowest compare to others), respectively. This therefore indicated that subordinates were adequately satisfied with the pay and pay increments within the organization. And the lowest mean score (2.57) and the highest standard deviation (1.455) pointed to job security (VJ8). This indicated that

most of the PEPFAR IP partners' employees' were not satisfied by this job dimension i.e. job security. The reason is that the PEPFAR IP projects will be closed after few months. And this has a direct impact on the employees' job satisfaction since they felt a sense of job insecurity.

The mean score and standard deviation for the work activities (VJ16-VJ18) dimension were 3.40. Out of this job dimension, most of the subordinates were satisfied with the variety of job responsibilities (VJ16) they had with their organization. And the mean score and standard deviation of this job dimension was 3.63 and 0.928, respectively. The degree of independence the employees (VJ17) had on their job is relatively good compare to the adequate opportunity for periodic changes in duties (VJ18). It was reflected in their mean score and standard deviations i.e. the mean score and standard deviation of the degree of independence was 3.33 and 1.093 compare to the adequate opportunity for periodic changes in duties 3.23 and 1.223, respectively.

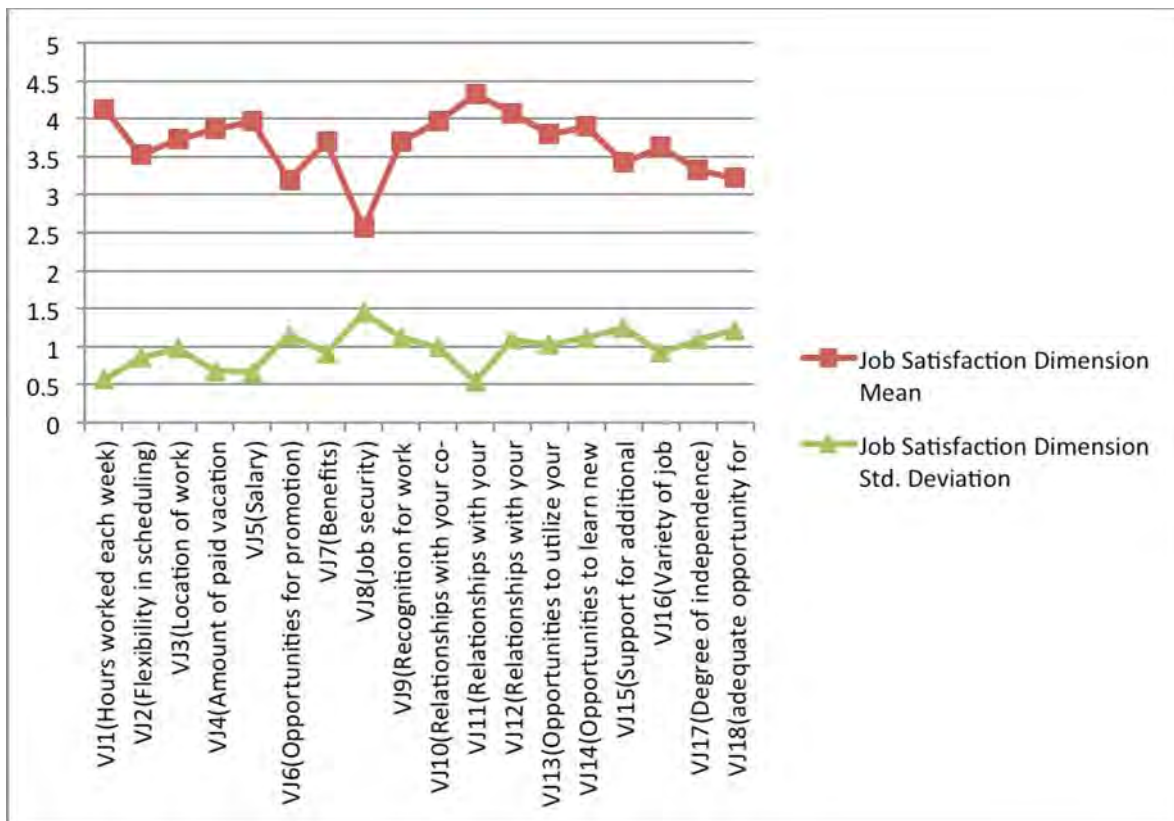


Fig. 4.1 Mean score and standard deviation of the job satisfaction dimensions

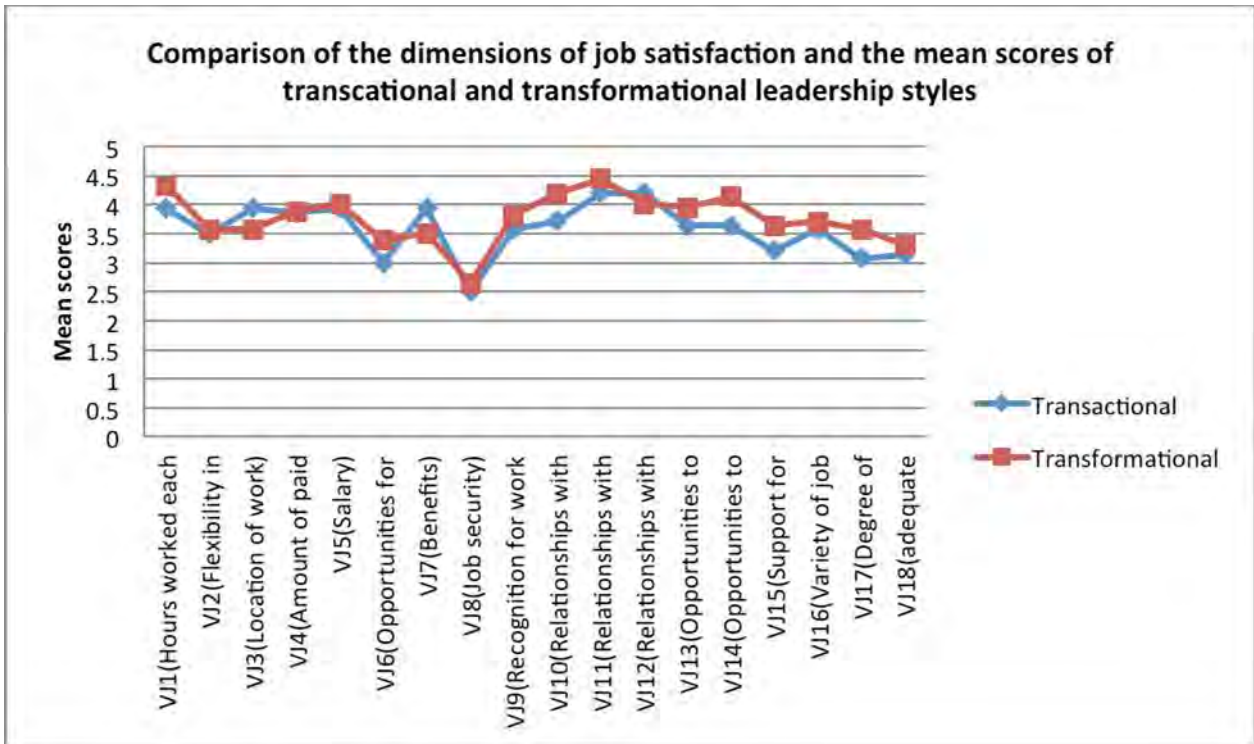
Fig. 4.1 clearly depicted that the highest mean score of the job satisfaction dimension was 4.33 i.e. relationships with your supervisor (VJ11). And the standard deviation of this variable (VJ11) was the lowest of all the job satisfaction dimensions i.e. 0.547. And the lowest mean score of the job satisfaction dimension was 2.5 i.e. job security (VJ8). And its standard deviation for this variable was the highest of all the job satisfaction dimensions i.e. 1.455.

Moreover, this figure confirmed that the employees were satisfied more on their supervision styles of their managers/supervisors and dissatisfied by the job insecurity they had due to the closing down of the PEPFAR IP projects.

Other organizations might be affected by other dimensions of job satisfaction. For example, the research study (2008) found a significant relationship between transformational leadership of managers and employee 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.

#### **4.4 Comparisons of the dimensions of job satisfaction and the mean scores of Transactional and transformational leadership styles**

The results of the comparison between the mean scores of transactional and transformational managers and the job satisfaction dimensions are presented in fig. 4.2.



**Fig. 4.2 Comparison of the mean scores of leaderships' styles and the dimensions of job satisfaction**

Fig. 4.2 clearly indicated that there are several similarities between transactional and transformational leadership style and the job satisfaction dimensions. There seems to be a significant difference in

- a) Relationships with your co-worker (VJ10) job satisfaction dimension had a significant difference with regard to transformational and transactional leadership styles. This was due to most of the employees were satisfied by the relationships with their co-worker with the transformational leadership style (VJ10-4.19) than transactional leadership style (VJ10-3.71).
- b) Use of skills and abilities job satisfaction category (opportunities to learn new skills (VJ14-3.64/4.13) and support for additional training (VJ15-3.21/3.63)) has a significant difference between employees who had a transformational or transactional leadership styles. In these two job satisfaction dimensions,

employees with transformational leaders were satisfied more than transactional leaders.

- c) Degree of independence (VJ17) job satisfaction dimension had a significant difference with regard to transformational and transactional leadership styles. This was due to most of the employees were satisfied by the degree of independence they had with the transformational leadership style (VJ17 - 3.56) than transactional leadership style (VJ17- 3.07).

However, there was a slight difference and or similarities between employees who had a transformational and transactional manager and job satisfaction dimensions other than mentioned above.

According to the research study on Mogadishu Universities (2013), it indicated that there is a positive and significant relationship among transformational and transactional leadership and job satisfaction. In other words, there is a strong relationship between transformational leadership style and job satisfaction while there is a weak relationship between job satisfaction and transactional leadership. That means the instructors prefer transformational leadership than transactional leadership.

Moreover, the following table can be used as an additional information for analyzing the mean scores difference between the transactional and transformational managers and the dimensions of job satisfaction in detail. Please refer table 4.2.

| Category of JSD            | Job satisfaction Dimensions       | Leadership styles |                  |
|----------------------------|-----------------------------------|-------------------|------------------|
|                            |                                   | Transactional     | Transformational |
| General Working Conditions | VJ1(Hours worked each week)       | 3.93              | 4.31             |
|                            | VJ2(Flexibility in scheduling)    | 3.5               | 3.56             |
|                            | VJ3(Location of work)             | 3.93              | 3.56             |
|                            | VJ4(Amount of paid vacation time) | 3.86              | 3.88             |

|                             |   |      |      |
|-----------------------------|---|------|------|
| Pay & Promotion potential   | VJ5(Salary)   | 3.93 | 4    |
|                             | VJ6(Opportunities for promotion)                          | 3    | 3.38 |
|                             | VJ7(Benefits)   | 3.93 | 3.5  |
|                             | VJ8(Job security)   | 2.5  | 2.63 |
|                             | VJ9(Recognition for work accomplished)                    | 3.57 | 3.81 |
| Work Relationships          | VJ10(Relationships with your co-worker)                   | 3.71 | 4.19 |
|                             | VJ11(Relationships with your supervisor)                  | 4.21 | 4.44 |
|                             | VJ12(Relationships with your subordinates)                | 4.2  | 4.00 |
| Use of skills and abilities | VJ13(Opportunities to utilize your skills)                | 3.64 | 3.94 |
|                             | VJ14(Opportunities to learn new skills)                   | 3.64 | 4.13 |
|                             | training) VJ15(Support for additional                     | 3.21 | 3.63 |
| Work activities             | VJ16(Variety of job responsibilities)                     | 3.57 | 3.69 |
|                             | VJ17(Degree of independence)                              | 3.07 | 3.56 |
|                             | VJ18(adequate opportunity for periodic changes in duties) | 3.14 | 3.31 |

**Table 4.2 Mean scores of the transactional and transformational leadership style and their dimensions of job satisfaction (N=30)**

According to the Table 4.2, it showed us the highest mean scores of the dimensions of the job satisfaction in both the transactional and transformational leadership style were employees' relationship with their supervisor (VJ11). The mean scores were 4.21 for transactional leadership style and 4.44 for transformational leadership style, respectively. This explained that most of the employees' in the PEPFAR IP partners

were satisfied with their relationships with supervisors whether their managers were transactional or transformational leaders.

The lowest mean scores of the dimensions of the job satisfaction in both the transactional and transformational leadership styles were job security (VJ8). The mean scores of transactional and transformational leaders were 2.5 and 2.63, respectively. This showed that most of the employees were not satisfied with the job security of job satisfaction dimensions with both the transactional and transformational leaders.

Based on the above analysis (Fig. 4.2 & Table 4.2), it could be attributed to the fact that the nonmonetary rewards like training, opportunities to use skills and abilities and degree of independence were given more emphasis instead of monetary rewards like pay and fringe benefits dimensions within the PEPFAR IP partners. And this also showed us the PEPFAR IP partners monetary rewards are aligned with the external market and industry.

According to Society of Human Resource Management (SHRM) foundation research, the Motivational Leadership Training Program was one factor found in the theory of full-range leadership and self-determination theory. And this training program offers an additional training tool to organizations employees and managers so that they can improve managerial effectiveness. Moreover, transformational leadership was the focus of this training program. It consists as acting as a role model, providing meaning and challenge, and considering individual needs. Training also focused on using transformational leadership to fulfill psychological needs for competence, autonomy, and relatedness, in order to increase autonomous work motivation (which means to do something out of enjoyment and meaning as opposed to rewards and guilt). Accessed on December 25, 2014,

<http://www.shrm.org/about/foundation/research/pages/fdnresearchgagne.aspx>

Therefore, the research study can be concluded that transformational leadership style could be attributed to the fact that the use of skills and abilities in job satisfaction

dimension had a significant difference in the transformational and transactional leadership style in the PEPFAR implementing partners' perspectives.

## 4.5 Cross tabulation Analysis

The results of the cross tabulation analysis of the leadership styles of transactional and transformational managers and the specific dimension of job satisfaction (Relationships with your supervisor (VJ11) and Degree of independence (VJ17)) which scored the highest mean in relation to other dimensions of job satisfaction are presented below.

### 4.5.1 Leadership style and Job satisfaction dimensions - Relationships with your supervisor (VJ11)

The leadership styles (transactional and transformational) and job satisfaction dimensions (VJ11) Relationships with your supervisor were presented in fig. 4.3.

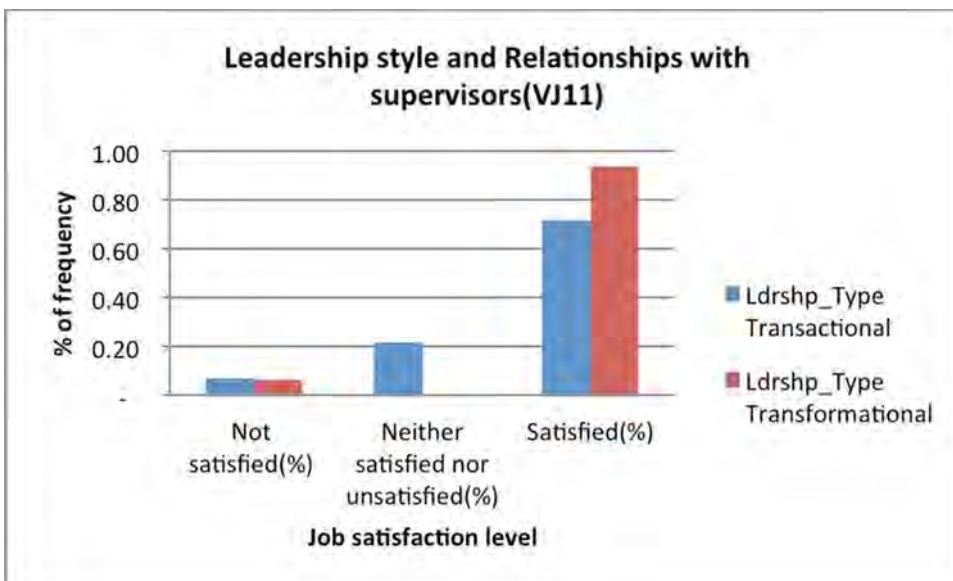


Fig. 4.3 Analysis of transactional and transformational leadership style and the job satisfaction dimension (Relationships with supervisor)

According to figure 4.3 indicates a significant difference in the bar graph presentation of the transactional and transformational leadership style and the dimensions of job satisfaction that is the relationships of employees with their supervisors. This is

therefore, 71% of employees with a transactional manager were satisfied with the leadership style of their managers supervision style where as 94% of the employees' with a transformational manager were satisfied with their relationships they had their managers. 21% of the employees with transactional manager were neither satisfied nor dissatisfied. However, 7% of the employees with a transactional manager and 6% of the employees with a transformational manager were dissatisfied.

| <b>Cross tabulation</b>   |   |                      |                         |              |
|---------------------------|---|----------------------|-------------------------|--------------|
| <b>VJ11 * Ldrshp_Type</b> |   |                      |                         |              |
|                           |   | <b>Ldrshp_Type</b>   |                         | <b>Total</b> |
|                           |   | <b>Transactional</b> | <b>Transformational</b> |              |
| VJ11                      | 1   | 1                    | 1                       | 2            |
|                           | <b>Not satisfied(%)</b>                     | <b>0.07</b>          | <b>0.06</b>             | <b>0.07</b>  |
|                           | 3   | 3                    | 0                       | 3            |
|                           | <b>Neither satisfied nor unsatisfied(%)</b> | <b>0.21</b>          | 0                       | <b>0.10</b>  |
|                           | 4   | 8                    | 9                       | 17           |
|                           | 5   | 2                    | 6                       | 8            |
|                           | <b>Satisfied(%)</b>                         | <b>0.71</b>          | <b>0.94</b>             | <b>0.83</b>  |
| <b>Total</b>              |   | 14                   | 16                      | 30           |

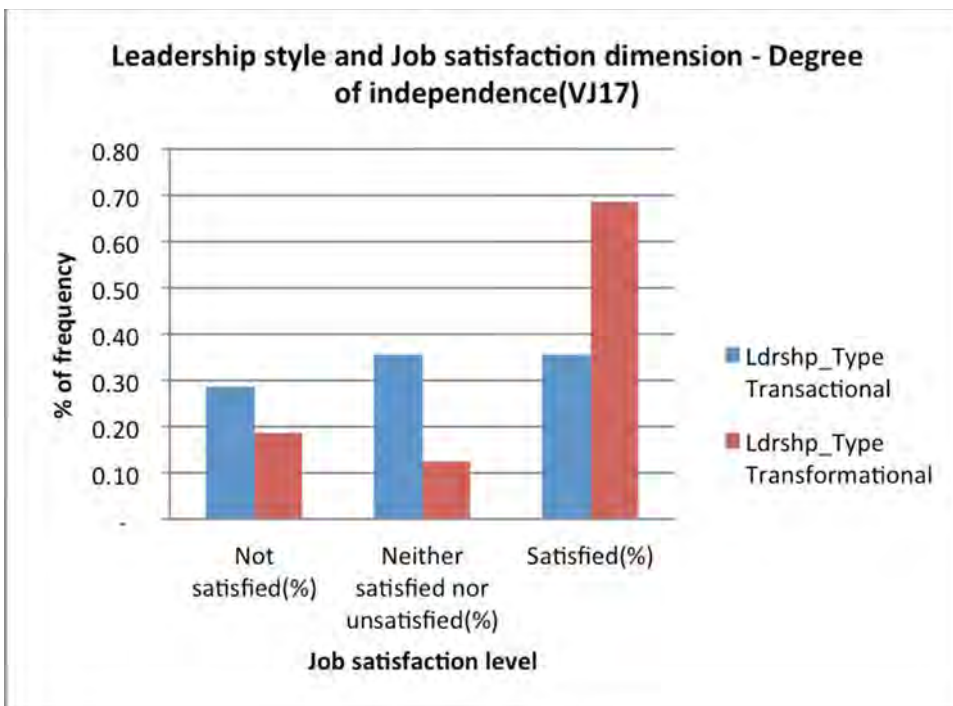
**Table 4.3 Cross tabulation of Relationships of with your supervisor (VJ11) and transactional and transformational leadership styles.**

In addition, the above cross tabulation table showed that even if 83% of the employees responded that they were satisfied by their managers' supervision style (transactional or transformational leader), there was a significant difference between the transactional and transformational leaders and the employees' satisfaction. For example; in the cross tabulation it was clearly depicted that employees that had a transformational manager were satisfied more than by 23% compare to employees that had a transactional manager.

This is therefore, the research study confirmed that there was a significant difference between the employees' job satisfaction and leadership styles of the managers; both transactional and transformational leadership styles.

#### 4.5.2 Leadership style and Job satisfaction dimensions - Degree of Independence (VJ17)

The leadership styles (transactional and transformational) and job satisfaction dimensions (VJ17) Degree of Independence were presented in figure 4.4.



**Fig. 4.4 Analysis of transactional and transformational leadership style and the job satisfaction dimension (Degree of Independence)**

Figure 4.4 indicated that a significant difference in the bar graph presentation of the transactional and transformational leadership style with the dimensions of job satisfaction especially with the degree of independence. Most of the employees were satisfied with the degree of independence they had on their job.

This research study confirmed that 36% of employees with a transactional manager were satisfied with the leadership style of their degree of independence where as 69% of the employees' with a transformational manager were satisfied with their degree of independence they had. 36% of the employees with transactional manager and 13% of the employees with transformational manager were neither satisfied nor unsatisfied. However, 29% of the employees with a transactional manager and 19% of the employees with a transformational manager were not satisfied.

| <b>Crosstabulation</b>    |   |               |                  |             |
|---------------------------|---|---------------|------------------|-------------|
| <b>VJ17 * Ldrshp_Type</b> |   |               |                  |             |
| Count                     |   |               |                  |             |
|                           |   | Ldrshp_Type   |                  | Total       |
|                           |   | Transactional | Transformational |             |
| VJ17                      | 1   | 1             | 1                | 2           |
|                           | 2   | 3             | 2                | 5           |
|                           | <b>Not satisfied(%)</b>                     | <b>0.29</b>   | <b>0.19</b>      | <b>0.23</b> |
|                           | 3   | 5             | 2                | 7           |
|                           | <b>Neither satisfied nor unsatisfied(%)</b> | <b>0.36</b>   | <b>0.13</b>      | <b>0.23</b> |
|                           | 4   | 4             | 9                | 13          |
|                           | 5   | 1             | 2                | 3           |
|                           | <b>Satisfied(%)</b>                         | <b>0.36</b>   | <b>0.69</b>      | <b>0.53</b> |
| Total                     |   | 14            | 16               | 30          |

**Table 4.4 Cross tabulation of Degree of Independence (VJ17) and transactional and transformational leadership styles.**

The above cross tabulation result showed that 53% of the employees responded that they were satisfied by the degree of independence they have whether it was a transactional or transformational leader. However, there was a significant difference between the transactional and transformational leaders and the employees'

satisfaction with the degree of independence. Form the cross tabulation it was clearly showed that employees that had a transformational manager were satisfied more than 33% compare to employees that had a transactional leadership styles. This is therefore, the research study confirmed that there was a significant difference between the employees' job satisfaction and leadership styles of the managers both transactional and transformational leadership styles.

#### 4.6 Analysis of the dimensions of Job satisfaction and biographical variables

The results of the cross tabs of the dimensions of job satisfaction and biographical variables of age and gender were presented in table 4.5.

##### 4.6.1 Leadership styles (Transactional & Transformational) and Age

| Age * Ldrshp_Type Crosstabulation |          |               |                  |       |
|-----------------------------------|----------|---------------|------------------|-------|
| Count                             |          |               |                  |       |
|                                   |          | Ldrshp_Type   |                  | Total |
|                                   |          | Transactional | Transformational |       |
| Age                               | 2(21-30) | 2             | 6                | 8     |
|                                   | 3(31-40) | 8             | 10               | 18    |
|                                   | 4(41-50) | 4             | 0                | 4     |
| Total                             |          | 14            | 16               | 30    |

**Table 4.5 Cross tabulation of Relationships Age and transactional and transformational leadership styles**

The above cross tabulation depicts the relationship between the variable age and transactional and transformational leadership styles. It states that 21 to 40 years of age, most employees were satisfied with transformational leadership style rather than the transactional leadership styles. After those 40 years, there was no employee who inclined to transformational leadership style instead there were some employees who exhibited an interest in transactional leadership style. It is interesting to see that the transformational leadership style is the dominant one

among the young leaders compare to the transactional leadership styles under this study and the older people inclined towards the transactional leadership styles compared to the youngsters.

According to the research study conducted and posted in an International Journal of business and Management, the results showed that older employees are not eager to follow the changes; they feel rather panicked and don't share their experience with others, they were not satisfied by being empowered by others instead they prefer to be directed by their supervisor.

Accessed on Jan. 07.2015 <http://www.ccsenet.org/journal/index.php/ijbm/article/viewFile/5448/4900%20rel='nofollow'>

#### 4.6.2 Leadership styles (Transactional & Transformational) and Gender

**Gender \* Ldrshp\_Type Crosstabulation**

| Count  |   | Ldrshp_Type   |                  | Total |
|--------|---|---------------|------------------|-------|
|        |   | Transactional | Transformational |       |
| Gender | 1 | 13(59%)       | 9                | 22    |
|        | 2 | 1             | 7                | 8     |
| Total  |   | 14            | 16               | 30    |

**Table 4.6 Cross tabulation of Gender and transactional and transformational leadership styles**

The above cross tabulation depicts the relationship between the variable gender and transformational & transactional leadership styles and it shows interesting results. It states that female employees were inclined towards the transformational leadership styles than male employees. However, out of the male respondents, 59% of the male employees were inclined towards transactional leadership style where as 41% of male employees went to transformational leadership styles. In contrast of the above

result, out of the female respondents, 87% of the female employees were inclined towards transformational leaders than 13% of female employees who selected transactional leaders.

According to American Psychological Association dated March 22, 2006, researchers interested in the question of leadership styles and gender issues. And they found out that women workers are more associated with team oriented structures than directive approach, less authoritarian and transformational leadership style than transactional leadership styles. Accessed on Jan. 01, 2014, <http://www.apa.org/research/action/boss.aspx>

## Summary

This chapter discussed the research findings and the interpretations of the study, with special emphasis and reference to relationships or linkages between transformational and transactional leadership styles and various job satisfaction dimensions.

Conclusions, limitations and recommendations of the research study will be discussed in chapter 5.

# Chapter Five - Conclusions, Limitations and Recommendations

## 5.1 Introduction

This chapter comprises of the conclusions, limitations and recommendations of the research study.

## 5.2 Conclusions

The findings of the study found that there is a significant relationship between transactional and transformational leadership style and employees' job satisfaction. The transformational and transactional leadership styles positively influenced with employees' job satisfaction. In other words, the findings supported that employees working in PRPFAR IP significantly preferred both types of leadership styles. However, there is a strong relationship between transformational leadership style and job satisfaction instead of the transactional leadership style.

The findings revealed that the employees preferred transformational leadership style over transactional leadership style as a result the highest mean score of the employee job satisfaction dimension went to transformational leadership style i.e. 4.44 for transformational whereas 4.2 for transactional leadership style, respectively.

The findings of this study are also evidenced by the cross tabs indicated that there is a significant number of respondents who supported the presence of the effect/relationship between leadership styles (transformational and transactional) and particular dimensions of job satisfaction i.e. relationships of employees with their supervisors and job independence. For example, in Fig. 4.3 & 4.4 it showed that employees were more satisfied by their transformational managers compare to transactional managers in their managers supervision style and degree of independence they had on their job since the transformational managers empowered their employees to conduct their job independently.

The other interesting findings from this research study were that the relationships between leadership styles (transactional and transformational) with the biographical variables i.e. Age and Gender. Employees at their younger age they preferred a transformational leader than transactional leader and female employees were satisfied and more inclined to transformational leaders than transactional leaders.

Therefore, the research study made the following conclusions;

- 1) There is a significant relationship between leadership styles (transformational and transactional) and employee job satisfaction.
- 2) Transformational leadership styles are highly related to employees' job satisfaction compare to the transactional leadership styles.
- 3) There is a significant relationship between leadership styles (transactional and transformational) and with a particular dimension of job satisfaction i.e. Relationships of employees with their supervisors and job independence.
- 4) The data fails to show statistically significant difference between leadership style and monetary rewards of the job satisfaction dimensions, general working condition of the work, job insecurity, promotion, need for trainings and skill development.
- 5) There is a relationship between leadership style (transactional and transformational) and age.
- 6) There is a relationship between leadership style (transactional and transformational) and gender.

In general, the research study achieved its aims of defining and assessing the relationship between leadership styles (transactional and transformational) and employee's job satisfaction in PEPFAR funded IP located in Addis Ababa-Ethiopia.

### **5.3 Recommendations**

Taking into account the findings of this study, the PEPFAR IP projects will need to recommend the following points in relation to the effect of the leadership style (transactional and transformational) and their employees' job satisfaction;

- 1) We recommended from the research study that leaders have an impact on employees' job satisfaction and it clearly indicated that the dimensions of job satisfaction have a significant difference to the style of the organization's leaders.
- 2) We also recommended that the non-monetary rewards particularly employees' relationships with their supervisors and job independence have a significant impact in this study. Therefore, organizations should give focus not only on monetary rewards of employees but also in nonmonetary rewards of employees.
- 3) We should recommend that even if the PEPFAR IP closed and near to close their projects, the single partner shall continue to use and implement the findings of the research study for the next five years.
- 4) Moreover, it is recommended that the biographical variables like age and gender have an effect on the leadership style the organization followed. The younger the work force inclined to job independence and wanted to be empowered rather than a bureaucratic style of management. The same is true when there is more female leaders in the organization they prefer a more transformational and team oriented approach rather than transactional and directive approach.

Future research studies can be conducted on

- 1) Is there any means to measure the level of job satisfaction and the leadership style of the leaders?
- 2) Can we standardize the style of leadership specific to the sector of the industry, developing and developed countries?
- 3) Is it related to organizations culture and value, type of workforce and organization objective whether it is profit oriented or not profit oriented?

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## Appendix A – Mean score results

| Descriptive Statistics      |   |    |      |      |                |         |         |
|-----------------------------|---|----|------|------|----------------|---------|---------|
| Variables                   |   | N  | Mean |      | Std. Deviation | Minimum | Maximum |
| General Working Conditions  | VJ1(Hours worked each week)                               | 30 | 4.13 | 3.82 | 0.571          | 3       | 5       |
|                             | VJ2(Flexibility in scheduling)                            | 30 | 3.53 |      | 0.86           | 1       | 5       |
|                             | VJ3(Location of work)                                     | 30 | 3.73 |      | 0.98           | 1       | 5       |
|                             | VJ4(Amount of paid vacation time)                         | 30 | 3.87 |      | 0.681          | 2       | 5       |
| Pay & Promotion potential   | VJ5(Salary)   | 30 | 3.97 | 3.43 | 0.669          | 2       | 5       |
|                             | VJ6(Opportunities for promotion)                          | 30 | 3.2  |      | 1.157          | 1       | 5       |
|                             | VJ7(Benefits)   | 30 | 3.7  |      | 0.915          | 1       | 5       |
|                             | VJ8(Job security)   | 30 | 2.57 |      | 1.455          | 1       | 5       |
|                             | VJ9(Recognition for work accomplished)                    | 30 | 3.7  |      | 1.119          | 1       | 5       |
| Work Relationships          | VJ10(Relationships with your co-worker)                   | 30 | 3.97 | 4.13 | 0.999          | 3       | 5       |
|                             | VJ11(Relationships with your supervisor)                  | 30 | 4.33 |      | 0.547          | 1       | 5       |
|                             | VJ12(Relationships with your subordinates)                | 24 | 4.08 |      | 1.1            | 0       | 5       |
| Use of skills and abilities | VJ13(Opportunities to utilize your skills)                | 30 | 3.8  | 3.71 | 1.031          | 1       | 5       |
|                             | VJ14(Opportunities to learn new skills)                   | 30 | 3.9  |      | 1.125          | 1       | 5       |
|                             | VJ15(Support for additional training)                     | 30 | 3.43 |      | 1.251          | 1       | 5       |
| Work activities             | VJ16(Variety of job responsibilities)                     | 30 | 3.63 | 3.40 | 0.928          | 1       | 5       |
|                             | VJ17(Degree of independence)                              | 30 | 3.33 |      | 1.093          | 1       | 5       |
|                             | VJ18(adequate opportunity for periodic changes in duties) | 30 | 3.23 |      | 1.223          | 1       | 5       |
| Valid N (listwise)          |   | 24 |      |      |                |         |         |

## Appendix B – Mean score and std deviation of job satisfaction dimensions

|                             | Job Satisfaction Dimension                                |      |                |
|-----------------------------|---|------|----------------|
|                             | Job Satisfaction Dimension                                | Mean | Std. Deviation |
| General Working Conditions  | VJ1(Hours worked each week)                               | 4.13 | 0.571          |
|                             | VJ2(Flexibility in scheduling)                            | 3.53 | 0.86           |
|                             | VJ3(Location of work)                                     | 3.73 | 0.98           |
|                             | VJ4(Amount of paid vacation time)                         | 3.87 | 0.681          |
| Pay & Promotion potential   | VJ5(Salary)   | 3.97 | 0.669          |
|                             | VJ6(Opportunities for promotion)                          | 3.2  | 1.157          |
|                             | VJ7(Benefits)   | 3.7  | 0.915          |
|                             | VJ8(Job security)   | 2.57 | 1.455          |
|                             | VJ9(Recognition for work accomplished)                    | 3.7  | 1.119          |
| Work Relationships          | VJ10(Relationships with your co-worker)                   | 3.97 | 0.999          |
|                             | VJ11(Relationships with your supervisor)                  | 4.33 | 0.547          |
|                             | VJ12(Relationships with your subordinates)                | 4.08 | 1.1            |
| Use of skills and abilities | VJ13(Opportunities to utilize your skills)                | 3.8  | 1.031          |
|                             | VJ14(Opportunities to learn new skills)                   | 3.9  | 1.125          |
|                             | VJ15(Support for additional training)                     | 3.43 | 1.251          |
| Work activities             | VJ16(Variety of job responsibilities)                     | 3.63 | 0.928          |
|                             | VJ17(Degree of independence)                              | 3.33 | 1.093          |
|                             | VJ18(adequate opportunity for periodic changes in duties) | 3.23 | 1.223          |

## Appendix C - Cross tabulation tables

VJ1 \* Ldrshp\_TypeCrosstabulation

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ1   | 3 | 3             | 0                | 3     |
|       | 4 | 9             | 11               | 20    |
|       | 5 | 2             | 5                | 7     |
| Total |   | 14            | 16               | 30    |

VJ2 \* Ldrshp\_TypeCrosstabulation

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ2   | 1 | 1             | 1                | 2     |
|       | 3 | 4             | 5                | 9     |
|       | 4 | 9             | 9                | 18    |
|       | 5 | 0             | 1                | 1     |
| Total |   | 14            | 16               | 30    |

VJ3 \* Ldrshp\_TypeCrosstabulation

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ3   | 1 | 1             | 0                | 1     |
|       | 2 | 0             | 2                | 2     |
|       | 3 | 2             | 5                | 7     |
|       | 4 | 7             | 7                | 14    |
|       | 5 | 4             | 2                | 6     |
| Total |   | 14            | 16               | 30    |

**VJ4 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ4   | 2 | 0             | 1                | 1     |
|       | 3 | 3             | 3                | 6     |
|       | 4 | 10            | 9                | 19    |
|       | 5 | 1             | 3                | 4     |
| Total |   | 14            | 16               | 30    |

**VJ5 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ5   | 2 | 1             | 0                | 1     |
|       | 3 | 1             | 3                | 4     |
|       | 4 | 10            | 10               | 20    |
|       | 5 | 2             | 3                | 5     |
| Total |   | 14            | 16               | 30    |

**VJ6 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ6   | 1 | 1             | 1                | 2     |
|       | 2 | 3             | 3                | 6     |
|       | 3 | 6             | 5                | 11    |
|       | 4 | 3             | 3                | 6     |
|       | 5 | 1             | 4                | 5     |
| Total |   | 14            | 16               | 30    |

**VJ7 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ7   | 1 | 0             | 1                | 1     |
|       | 2 | 1             | 2                | 3     |
|       | 3 | 0             | 3                | 3     |
|       | 4 | 12            | 8                | 20    |
|       | 5 | 1             | 2                | 3     |
| Total |   | 14            | 16               | 30    |

**VJ8 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ8   | 1 | 5             | 7                | 12    |
|       | 2 | 1             | 1                | 2     |
|       | 3 | 4             | 1                | 5     |
|       | 4 | 4             | 5                | 9     |
|       | 5 | 0             | 2                | 2     |
| Total |   | 14            | 16               | 30    |

**VJ9 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ9   | 1 | 2             | 1                | 3     |
|       | 2 | 0             | 1                | 1     |
|       | 3 | 3             | 0                | 3     |
|       | 4 | 6             | 12               | 18    |
|       | 5 | 3             | 2                | 5     |
| Total |   | 14            | 16               | 30    |

**VJ10 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                      | Total |
|-------|---|---------------|----------------------|-------|
|       |   | Transactional | Transformationa<br>I |       |
| VJ10  | 3 | 1             | 0                    | 1     |
|       | 4 | 9             | 9                    | 18    |
|       | 5 | 4             | 7                    | 11    |
| Total |   | 14            | 16                   | 30    |

**VJ11 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                      | Total |
|-------|---|---------------|----------------------|-------|
|       |   | Transactional | Transformationa<br>I |       |
| VJ11  | 1 | 1             | 1                    | 2     |
|       | 3 | 3             | 0                    | 3     |
|       | 4 | 8             | 9                    | 17    |
|       | 5 | 2             | 6                    | 8     |
| Total |   | 14            | 16                   | 30    |

**VJ12 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                      | Total |
|-------|---|---------------|----------------------|-------|
|       |   | Transactional | Transformationa<br>I |       |
| VJ12  | 0 | 0             | 1                    | 1     |
|       | 3 | 2             | 1                    | 3     |
|       | 4 | 4             | 7                    | 11    |
|       | 5 | 4             | 5                    | 9     |
| Total |   | 10            | 14                   | 24    |

**VJ13 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ13  | 1 | 0             | 1                | 1     |
|       | 2 | 2             | 0                | 2     |
|       | 3 | 3             | 4                | 7     |
|       | 4 | 7             | 5                | 12    |
|       | 5 | 2             | 6                | 8     |
| Total |   | 14            | 16               | 30    |

**VJ14 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ14  | 1 | 0             | 1                | 1     |
|       | 2 | 3             | 1                | 4     |
|       | 3 | 1             | 1                | 2     |
|       | 4 | 8             | 5                | 13    |
|       | 5 | 2             | 8                | 10    |
| Total |   | 14            | 16               | 30    |

**VJ15 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                  | Total |
|-------|---|---------------|------------------|-------|
|       |   | Transactional | Transformational |       |
| VJ15  | 1 | 2             | 1                | 3     |
|       | 2 | 2             | 2                | 4     |
|       | 3 | 3             | 3                | 6     |
|       | 4 | 5             | 6                | 11    |
|       | 5 | 2             | 4                | 6     |
| Total |   | 14            | 16               | 30    |

**VJ16 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                      | Total |
|-------|---|---------------|----------------------|-------|
|       |   | Transactional | Transformationa<br>I |       |
| VJ16  | 1 | 0             | 1                    | 1     |
|       | 2 | 1             | 2                    | 3     |
|       | 3 | 4             | 1                    | 5     |
|       | 4 | 9             | 9                    | 18    |
|       | 5 | 0             | 3                    | 3     |
| Total |   | 14            | 16                   | 30    |

**VJ17 \* Ldrshp\_TypeCrosstabulation**

Count

|       |   | Ldrshp_Type   |                      | Total |
|-------|---|---------------|----------------------|-------|
|       |   | Transactional | Transformationa<br>I |       |
| VJ17  | 1 | 1             | 1                    | 2     |
|       | 2 | 3             | 2                    | 5     |
|       | 3 | 5             | 2                    | 7     |
|       | 4 | 4             | 9                    | 13    |
|       | 5 | 1             | 2                    | 3     |
| Total |   | 14            | 16                   | 30    |

**VJ18 \* Ldrshp\_TypeCrosstabulation**

Count

|      |   | Ldrshp_Type   |                      | Total |
|------|---|---------------|----------------------|-------|
|      |   | Transactional | Transformationa<br>I |       |
| VJ18 | 1 | 3             | 1                    | 4     |
|      | 2 | 1             | 2                    | 3     |
|      | 3 | 3             | 6                    | 9     |
|      | 4 | 5             | 5                    | 10    |
|      | 5 | 2             | 2                    | 4     |

**VJ18 \* Ldrshp\_TypeCrosstabulation**

Count

|              |   | Ldrshp_Type   |                  | Total     |
|--------------|---|---------------|------------------|-----------|
|              |   | Transactional | Transformational |           |
| VJ18         | 1 | 3             | 1                | 4         |
|              | 2 | 1             | 2                | 3         |
|              | 3 | 3             | 6                | 9         |
|              | 4 | 5             | 5                | 10        |
|              | 5 | 2             | 2                | 4         |
| <b>Total</b> |   | <b>14</b>     | <b>16</b>        | <b>30</b> |

**Appendix D - Mean scores of Transformational & Transactional Leadership styles**

| <b>Variable List</b>                       | <b>Transactional</b> | <b>Transformational</b> |
|--|----------------------|-------------------------|
| VJ1(Hours worked each week)                | 3.93                 | 4.31                    |
| VJ2(Flexibility in scheduling)             | 3.5                  | 3.56                    |
| VJ3(Location of work)                      | 3.93                 | 3.56                    |
| VJ4(Amount of paid vacation time)          | 3.86                 | 3.88                    |
| VJ5(Salary)                                | 3.93                 | 4                       |
| VJ6(Opportunities for promotion)           | 3                    | 3.38                    |
| VJ7(Benefits)                              | 3.93                 | 3.5                     |
| VJ8(Job security)                          | 2.5                  | 2.63                    |
| VJ9(Recognition for work accomplished)     | 3.57                 | 3.81                    |
| VJ10(Relationships with your co-worker)    | 3.71                 | 4.19                    |
| VJ11(Relationships with your supervisor)   | 4.21                 | 4.44                    |
| VJ12(Relationships with your subordinates) | 4.2                  | 4                       |
| VJ13(Opportunities to utilize your skills) | 3.64                 | 3.94                    |
| VJ14(Opportunities to learn new skills)    | 3.64                 | 4.13                    |
| VJ15(Support for additional training)      | 3.21                 | 3.63                    |
| VJ16(Variety of job responsibilities)      | 3.57                 | 3.69                    |

|   |      |      |
|---|------|------|
| VJ17(Degree of independence)                              | 3.07 | 3.56 |
| VJ18(adequate opportunity for periodic changes in duties) | 3.14 | 3.31 |

## **Appendix E- Multifactor Leadership Questionnaire and Employee Job Satisfaction Questionnaire (Employee)**

**ADDIS UNIVERSITY FACULTY OF BUSINESS  
AND ECONOMICS DEPARTMENT OF  
MANAGEMENT  
POST GRADUATE PROGRAM IN EXECUTIVE MBA  
QUESTIONNAIRE FOR EMPLOYEE**

Dear Respondents,

I am a postgraduate student of the above mentioned institution and currently undertaking a research project on the effect of leadership styles on employee' job satisfaction for the case of International Universities IP funded by PEPFAR . Please recall that you were selected as a possible participant because you were an employee of these organizations. Your participation in the study is completely voluntary.

Here you will find a short version of the Multifactor Leadership Questionnaire, a

frequently used, professionally recognized tool to quantify leadership style. I would greatly appreciate it if you take approximately 15-20 minutes of your time necessary to respond to this multiple choice questionnaires and return it to me. Your honest and true opinion will be valuable for this research.

The research work is for academic purpose only. Any information obtained in connection with this study will remain strictly confidential and not to be shared to any of your organization's administrators, supervisors, employees, etc.

Thank you in advance for you assistance.

Ruth W/tensay

These survey questionnaires contain three parts of statements intendeds to investigate the effect of leadership styles on employees' job satisfaction.

In section A you will find demographic information; in section B you are asked to rate the extent to which you see your immediate supervisor frequently demonstrate behaviors given and in section C you will rate your agreement with each statement.

### **Section A. Demographic Information.**

Please kindly circle to answer the following questions or write your response provided.

1. Gender  
a) Male b) Female
2. Age  
a) Below 20 b) 21- 30 c) 31- 40 d) 41- 50 e) 51-60
3. Marital status:  
a) Single b) Married c) Separated d) Divorce e) Widow f) Other  
(specify).....
4. What is your highest level of education?  
a) Senior secondary school b) Vocational / Technical Sch. c) Diploma d) Degree.  
e) Master f) Others [specify].....
5. How long have you been working in International PEPFAR IP?  
a) Below 1 year b) 1-2 year c) 3-4 year d ) More than 4 years
6. What is the title of your job position?\_\_\_\_\_

### **Section B : Leadership styles**

Using the scale given below, please circle the number by each statement that best represents the extent to which you see your immediate supervisor frequently demonstrate the given behaviors. Before you start, quickly read through the entire list to get a feel for how to rate each statement. Remember there is no right or wrong answers, and your honest opinion is very valuable to the success of this study. **If an item**

is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.

**Multifactor Leadership Questionnaire (MLQ) Rater Form (5X-Short)**

|                |                             |             |  |  |
|----------------|-----------------------------|-------------|--|--|
| 0 -Not at All  | 1-Once in a While           | 2-Sometimes |  |  |
| 3-Fairly Often | 4-Frequently, if Not Always |             |  |  |

**My immediate supervisor:**

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| 1. Provides me with assistance in exchange for my efforts.                               | 0 | 1 | 2 | 3 | 4 |
| 2. Re-examines critical assumptions to question whether they are appropriate.            | 0 | 1 | 2 | 3 | 4 |
| 3. Fails to interfere until problems become serious.                                     | 0 | 1 | 2 | 3 | 4 |
| 4. Focuses attention on irregularities, mistakes, exceptions, deviations from standards. | 0 | 1 | 2 | 3 | 4 |
| 5. Talks about his or her most important values and beliefs.                             | 0 | 1 | 2 | 3 | 4 |
| 6. Seeks differing perspectives when solving problems.                                   | 0 | 1 | 2 | 3 | 4 |
| 7. Talks optimistically about the future.  | 0 | 1 | 2 | 3 | 4 |
| 8. Instills pride in me for being associated with him or her.                            | 0 | 1 | 2 | 3 | 4 |
| 9. Discusses in specific terms who is responsible for achieving performance targets.     | 0 | 1 | 2 | 3 | 4 |
| 10. Waits for things to go wrong before taking action.                                   | 0 | 1 | 2 | 3 | 4 |
| 11. Talks enthusiastically about what needs to be accomplished.                          | 0 | 1 | 2 | 3 | 4 |
| 12. Specifies the importance of having a strong sense of purpose.                        | 0 | 1 | 2 | 3 | 4 |
| 13. Spends time teaching and coaching.   | 0 | 1 | 2 | 3 | 4 |
| 14. Makes clear what one can expect to receive when goals are achieved.                  | 0 | 1 | 2 | 3 | 4 |
| 15. Shows that he or she is a firm believer in, "If it ain't broke, don't fix it."       |   | 1 | 2 | 3 | 4 |
| 16. Goes beyond self-interest for the good of the group.                                 | 0 | 1 | 2 | 3 | 4 |

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| 17. Treats me as an individual rather than just as a member of a group.                        | 0 | 1 | 2 | 3 | 4 |
| 18. Demonstrates that problems must become chronic before taking action.                       | 0 | 1 | 2 | 3 | 4 |
| 19. Acts in ways that build my respect.  | 0 | 1 | 2 | 3 | 4 |
| 20. Concentrates his or her full attention on dealing with mistakes, complaints, and failures. | 1 | 2 | 3 | 4 |   |
| 21. Considers the moral and ethical consequences of decisions.                                 | 0 | 1 | 2 | 3 | 4 |
| 22. Keeps track of all mistakes.   | 0 | 1 | 2 | 3 | 4 |
| 23. Displays a sense of power and confidence.  | 0 | 1 | 2 | 3 | 4 |
| 24. Articulates a compelling vision of the future.   | 0 | 1 | 2 | 3 | 4 |
| 25. Directs my attention toward failures to meet standards.                                    | 0 | 1 | 2 | 3 | 4 |
| 26. Considers me as having different needs, abilities, and aspirations from others.            | 0 | 1 | 2 | 3 | 4 |
| 27. Gets me to look at problems from many different angles.                                    | 0 | 1 | 2 | 3 | 4 |
| 28. Helps me to develop my strengths.  | 0 | 1 | 2 | 3 | 4 |
| 29. Suggests new ways of looking at how to complete assignments.                               | 0 | 1 | 2 | 3 | 4 |
| 30. Emphasizes the importance of having a collective sense of mission.                         | 0 | 1 | 2 | 3 | 4 |
| 31. Expresses satisfaction when I meet expectations.   | 0 | 1 | 2 | 3 | 4 |
| be achieved.   | 0 | 1 | 2 | 3 | 4 |

**Section C. Employee job satisfaction.**

Using the scale given below, please put the number in each phrase that best represents the extent to which you agree with the given phrase. Before you start, quickly read through the entire list to get a feel for how to rate.

**Remember there is no right or wrong answers, and your honest opinion is critical to**

the success of this study.

|                      |                   |                               |
|----------------------|-------------------|-------------------------------|
| 1- Strongly disagree | 2- Disagree       | 3- Neither disagree nor agree |
| 4- Agree             | 5- Strongly agree |                               |

**GENERAL WORKING CONDITIONS**

- \_\_\_\_\_ Hours worked each week
- \_\_\_\_\_ Flexibility in scheduling
- \_\_\_\_\_ Location of work
- \_\_\_\_\_ Amount of paid vacation time/sick leave offered

**PAY AND PROMOTION POTENTIAL**

- \_\_\_\_\_ Salary
- \_\_\_\_\_ Opportunities for Promotion
- \_\_\_\_\_ Benefits (Health insurance, life insurance, etc.)
- \_\_\_\_\_ Job Security
- \_\_\_\_\_ Recognition for work accomplished

**WORK RELATIONSHIPS**

- \_\_\_\_\_ Relationships with your co-workers
- \_\_\_\_\_ Relationship(s) with your supervisor(s)
- \_\_\_\_\_ Relationships with your subordinates (if applicable)

**USE OF SKILLS AND ABILITIES**

- \_\_\_\_\_ Opportunity to utilize your skills and talents
- \_\_\_\_\_ Opportunity to learn new skills
- \_\_\_\_\_ Support for additional training and education

**WORK ACTIVITIES**

- \_\_\_\_\_ Variety of job responsibilities
- \_\_\_\_\_ Degree of independence associated with your work roles

\_\_\_\_\_ Adequate opportunity for periodic changes in duties

Thank you for your time! Please return this completed survey directly to the researcher as soon as you can.

## **Appendix F- Multifactor Leadership Questionnaire (Manager/supervisor)**

**ADDIS ABABA University  
Faculty of Business and Economics  
Department of Management  
Post Graduate Program in Executive MBA  
Questionnaire for Managers/Supervisors**

Dear Respondents,

I am a postgraduate student of the above mentioned institution and currently undertaking a research project on the effect of leadership styles on employee job satisfaction as a case study of International Universities IP PEPFAR. As a manager/supervisor in your organization, you are selected as possible participant in this study. Your participation in the study is completely voluntary.

Here you will find a short version of the Multifactor Leadership Questionnaire, a frequently used, professionally recognized tool to quantify leadership style. I would greatly appreciate it if you take approximately 10-15 minutes of your time necessary to respond to this multiple choice questionnaires and return it to me. Your honest and true opinion will be valuable for this research project.

The research work is for academic purpose only. Any information obtained in connection with this study will remain strictly confidential and not to be shared to any of your organization's administrators, supervisors, employees, etc.

Thank you in advance for your assistance.

Ruth W/tensay

This survey contains two parts of statements intended to measure managers perceived leadership styles. In section A you are asked to fill demographic information which will be used for statistical purpose only. In Section B you will rate yourself the extent to which you frequently demonstrate behaviors given.

**Section A: Demographic Information:**

Please kindly answer to the following questions or write your response in the provided space.

1. Gender

- a) Male    b) Female

2. Age

- a) Below 20    b) 21- 30    c) 31- 40    d) 41- 50    e) 51-60    f) above 60

3. Marital status:

- a) Single    b) Married    c) Separated    d) Divorce    e) Widow    f) Others (specify).....

4. What is your highest educational level attained?

- a) Senior secondary school    b) Vocational / Technical Sch.    c) Diploma    d) Degree.    e) Master    f) Others [specify].....

5. How long have you been working in PEPFAR IP?

- a) Below 1 year    b) 1-2 year    c) 3-4 year    d) More than 4 years

**Section B Instructions: Leadership styles**

This questionnaire provides a description of your leadership style. Thirty two descriptive statements are listed below. Judge how frequently each statement fits you. The word “others” may mean your subordinates, peers, direct reports, group members and/or all of these individuals.

Using the scale given below, please circle the number by each statement that best represents the extent to which you demonstrate the given behaviors. Before you start, quickly read through the entire list to get a feel for how to rate each statement. Remember there is no right or wrong answers, and your honest opinion is very valuable to the success of this study. All your responses will be kept confidential.

If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.

**Multifactor Leadership Questionnaire (MLQ) Leader Form (5X-Short)**

|                       |                                    |                    |
|-----------------------|------------------------------------|--------------------|
| <b>0 -Not at All</b>  | <b>1-Once in a While</b>           | <b>2-Sometimes</b> |
| <b>3-Fairly Often</b> | <b>4-Frequently, if Not Always</b> |                    |

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| 1. I provide other with assistant in exchange for their efforts                            | 0 | 1 | 2 | 3 | 4 |
| 2. I re-examine critical assumptions to question whether they are appropriate              | 0 | 1 | 2 | 3 | 4 |
| 3. I fail to interfere until problems become serious                                       | 0 | 1 | 2 | 3 | 4 |
| 4. I focus attention on irregularities, mistakes, exception and Deviations from standards. | 0 | 1 | 2 | 3 | 4 |
| 5. I talk about my most important values and beliefs                                       | 0 | 1 | 2 | 3 | 4 |
| 6. I seek differing perspectives when solving problems                                     | 0 | 1 | 2 | 3 | 4 |
| 7. I talk optimistically about the future  | 0 | 1 | 2 | 3 | 4 |
| 8. I instill pride in others for being associated with me                                  | 0 | 1 | 2 | 3 | 4 |
| 9. I discuss in specific terms who is responsible for achieving Performance targets        | 0 | 1 | 2 | 3 | 4 |
| 10. I wait for things to go wrong before taking action                                     | 0 | 1 | 2 | 3 | 4 |
| 11. I talk enthusiastically about what needs to be accomplished                            | 0 | 1 | 2 | 3 | 4 |

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| 12. I specify the importance of having a strong sense of purpose                              | 0 | 1 | 2 | 3 | 4 |
| 13. I spend time teaching and coaching  | 0 | 1 | 2 | 3 | 4 |
| 14. I make clear what one can expect to receive when performance are achieved                 | 0 | 1 | 2 | 3 | 4 |
| 15. I show that I am a firm believer in “ If it ain’t broke, don’t fix it”                    | 0 | 1 | 2 | 3 | 4 |
| 16. I go beyond self-interest for the good of the group                                       | 0 | 1 | 2 | 3 | 4 |
| 17. I treat others as an individual rather than just as a member of the group                 | 0 | 1 | 2 | 3 | 4 |
| 18. I demonstrate that problems must become chronic before I take action                      | 0 | 1 | 2 | 3 | 4 |
| 19. I act in ways that builds others’ respect for me  | 0 | 1 | 2 | 3 | 4 |
| 20. I concentrate my full attention on dealing with mistakes, complaints and failures         | 0 | 1 | 2 | 3 | 4 |
| 21. I consider the moral and ethical consequences of decisions                                | 0 | 1 | 2 | 3 | 4 |
| 22. I keep track of all mistakes  | 0 | 1 | 2 | 3 | 4 |
| 23. I display a sense of power & confidence   | 0 | 1 | 2 | 3 | 4 |
| 24. I articulate a compelling vision of the future  | 0 | 1 | 2 | 3 | 4 |
| 25. I direct my attention toward failures to meet standards                                   | 0 | 1 | 2 | 3 | 4 |
| 26. I consider an individual as having different needs, abilities and aspirations from others | 0 | 1 | 2 | 3 | 4 |
| 27. I get others to look at problems from many different angles                               | 0 | 1 | 2 | 3 | 4 |
| 28. I help others to develop their strengths  | 0 | 1 | 2 | 3 | 4 |
| 29. I suggest new ways of looking at how to complete assignments                              | 0 | 1 | 2 | 3 | 4 |
| 30. I emphasize the importance of having a collective sense of mission                        | 0 | 1 | 2 | 3 | 4 |
| 31. I express satisfaction when others meet expectations                                      | 0 | 1 | 2 | 3 | 4 |

32. I express confidence that goals will be achieved

0 1 2 3 4

Thank you for your time! Please return this completed survey directly to the researcher as soon as you can.