

Relationship of Transformational and Transactional Leadership Style with Job Satisfaction

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Abstract

This paper attempts to review the important concepts of human resource management (HRM), so at first it will discuss about the necessity of job satisfaction. Then this review study will present different types of leadership style (both transaction and transformational), in order to justify the relationship between leadership style and job satisfaction. At the end, this study proposed one framework based on the different components of transformational and transactional leadership style.

Keywords: Job Satisfaction, Transformational Leadership, Transactional Leadership

1. Introduction

Currently, employers and managers of labor across the world all are always faced with a crucial and significant managerial issue that is job satisfaction and motivation of their employees. Clearly, the nature of this issue led to many researches by different scholars in management. On the other hand, job satisfaction among the employees in any kind of industry is related directly to the level of their motivation.

According to Sola Fajana, in his published book titled Human Resource Management, he asserts that motivation and job satisfaction are as twins of managerial issues. He also noted that although they are distinct but still are connected and they should be understood with each other (Fajana 2002, 291). Obviously job satisfaction has benefits not just for employees but for the employers as well. It enhances productivity while reduces turnover of staff.

Based on a study conducted about motivation by Frederick Herzberg and also it was reviewed currently by Harvard Business School, Herzberg explained that satisfaction of employees has two different features including motivation and hygiene. Also Herzberg mentioned that hygiene matter can lead to dissatisfaction if it is absent or not handled appropriately by employers. Additionally he stated that when the policy of organization is unfair and unclear so it can reduce employee satisfaction. Even though employees want to be treated with fair payment for the job, money is not considered as the only effective tool for motivating them. They need something more than monetary reward for motivation, a more reasonable social interaction for job is necessary. (Herzberg review 2008, 112-113)

Extant research have emphasized that leadership style has high potential to affect job satisfaction. Considering the importance of job satisfaction, this study aims to present how leadership style can affect job satisfaction.

2. Literature review

2.1. Understanding the Concept: Job Satisfaction

Herzberg explained that employees should have personal recognition at some point that can decrease tension and promotes working condition. Besides, employee motivation and satisfaction

always have been known as critical and important issues. In addition he noted that high turnover and absenteeism can impact the organization negatively. Regarding recruit and retain process of employees a few firms put job satisfaction as their main priority, may be due to they are not able to understand the effects and remarkable opportunity of job satisfaction on total performance. Those employees who are satisfied will be more creative, productive and also committed to employers as a result. (Herzberg 2008, 128).

He generated theories which suggested that there are two dimensions for employee satisfaction including motivation and hygiene. Hygiene dimension involves supervision and salary that can reduce dissatisfaction of employees. The motivation of workforce involves achievement and recognition that make employees to be more creative, productive and committed. Also Herzberg, who is known as a leader in motivation theory, did interview with some of the employees to realize what makes them dissatisfied or satisfied with job. He asked them two sets of questions essentially:

Think of a certain time when you had good feelings especially about your job. What was the reason of feeling that way?

Think of a certain time when you had bad feelings especially about your job. What was the reason of feeling that way?

According to the outcomes from these conducted interviews, Herzberg developed his theory and noted that there are two dimensions regarding job satisfaction; hygiene and motivation. As he mentioned hygiene issues will not motivate employees but is able to reduce dissatisfaction when it is being handled efficiently. On the other hand, if they are mishandled or absent then they can make employees dissatisfied. Hygiene elements are as supervision, company policies, salary, working conditions and interpersonal relations. So these issues are relevant to environment surrounding the employees. Besides, motivators generate satisfaction through meeting individual's needs for more personal growth and meaning. These are such as recognition, achievement, work itself and also responsibility. After mentioning hygiene issues, based on Herzberg's statements, motivators can increase job satisfaction and enhance production as well (Herzberg 2008, 164-167). He also noted that even though hygiene issues cannot be considered as satisfaction source, they should first create a context in which motivation and satisfaction are possible both. (Herzberg 2008, 168)

As he explained the first variable for analyzing job satisfaction is administration of the company. The organizational policies could be considered as a good source of frustration for workforce. For example, policies might be unnecessary and unclear and sometimes there is no need to be followed by everyone. Also there are some situations in which some classes and categories of employees will go through a not pleasant organizational policy while the other party of employees will not. Even though an employee might never have a good sense of satisfaction or motivation for policies, we can reduce dissatisfaction through making sure that our policies are applicable and fair for everybody. Moreover, prepare printed copies of procedures and policies manual that is accessible easily to all of the staff in your company. (Herzberg 2008, 73)

The second variable which should be considered by labor employers is supervision. According to Herzberg, this factor is very crucial for decreasing dissatisfaction in work context. Labor employers should start by wise decision makings while positioning a person as the supervisor and they should be careful about the fact that good staff always will not be good supervisors. Supervisor's role is significantly hard and complicated which needs leadership skills as well as the capability to treat fairly all of the employees. (Herzberg 2008, 73)

Compensation is the third variable, although salary which is a monetary reward cannot be considered as a motivator for employees usually, each employee likes to be paid on time and fairly. For example, a surgeon who is a medical doctor does not want to get salary similar to a cleaner in that hospital. The payment for him/her should be based on their profession level. If employees believe that they are not properly compensated then they will not be happy in work context. (Herzberg 2008, 74)

The fourth variable is known as interpersonal relations. One part of satisfaction for being employed in a firm is the degree of social interaction that it provides for the employees. It can happen in break hours such as coffee or lunch breaks. By permitting the staff to have a reasonable time for being socialized, it can help them to generate a teamwork sense. (Herzberg 2008,74)

The fifth variable is working conditions. It is the place in which individuals work and it has a remarkable impact on their pride level for themselves and also the work that do. Safe and healthy working context impacts performance level. When the environment puts the health of staff in danger then they will be more absent so it for sure impacts production objectives.

The sixth variable is work itself. May be the most crucial factor to staff's motivation is helping an employee to believe that their job is very important and their work is meaningful as well. (Herzberg 2008, 74)

2.2. Job Satisfaction and Organizational Commitment

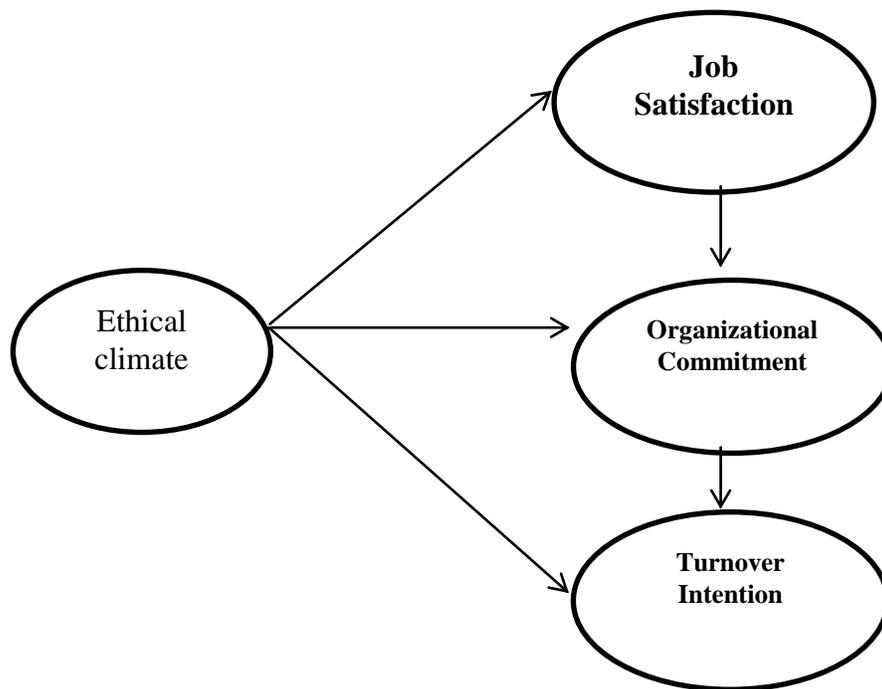
From attitude perspective, Porter et al. (1974) demonstrated that organizational commitment is the positive and active intention of a person to recognize with and also internalize organizational value and objectives. Based on Reyes and Pounder (1990), the organizational commitment is known as the powerful intention and belief to recognize with organizational value, stay with and devote to organization. Mathews and Shepherd (2002) explained that the organizational commitment is the behavior, attitude of the employees and the connection existed between organization and individuals. Guest (1995) stated that organizational commitment is the main core of HRM. It can transform traditional management into core of HRM.

The intentions and attitude of organizational staff in particular show the importance of organizational commitment of employees. Dec et al. (2006) indicated that organizational commitment is considered as an individual's intention to be loyal and to devote to organization. Lamber et al. (2006) explained that organizational commitment is known as structural fact of trade among organizations and individuals. During time it increases but will not result in outcome of transferable investment. Therefore, in practical use and theoretical research, experts valued the organizational commitment in HRM.

Currently, a lot of experts studied organizational commitment from view of Porter et al. (1974). He assumed effort commitment, value commitment and also retention commitment. The value commitment is a strong identification and belief with organizational values and goals. The effort commitment is the desire to devote as much as possible to organization. Finally retention commitment is a strong intention to be a part of the firm.

There are many different studies on relationship between job satisfaction and organizational commitment. For instance, Schwepker (2001) proposed a new developed framework which emphasized on the relationships between Organizational Commitment, Ethical Climate, Turnover Intention and Job Satisfaction. For measuring these relationships this framework has been tested in 33 American organizations and the main target were all of the salespersons in these organizations. (See Figure 1)

Figure 1: Schwepker (2001)



2.3. Job satisfaction and organizational performance

For a lot of researches the job satisfaction-job performance topic was highly popular that included three core Meta analysis (Judge, Thoresen, Bono, & Patton, 2001; Iaffaldano & Muchinsky, 1985; McGee, & Cavender, 1984). For the industry psychology and organization it was understood as Holy Grail. One of the recent Meta analysis conducted by Judge et al. (2001) realized a corrected correlation mean equal to .30 between satisfaction and performance ($k = 312$, $N = 54,471$). It was more powerful compared to .17 corrected correlation identified in previous conducted Meta Analysis by Iaffaldano and Muchinsky, 1985; ($k = 74$, $N = 12,192$) and it can generate new interest in study of relationship between performance and satisfaction.

The findings from study of Iaffaldano and Muchinsky's (1985) were all highly effective and also often have been understood as evidence that satisfaction and performance are virtually unrelated (Judge et al., 2001 study on impacts of Iaffaldano & Muchinsky's outcomes on expert's frequent beliefs regarding the relationship between performance and satisfaction).

In addition Judge et al. (2001), presented his findings as some suggestions about the fact that satisfaction and performance are related in a meaningful way and they explained some possibilities regarding satisfaction and performance relationship for instance discussing that the result of satisfaction is performance (Strauss, 1968) and the fact that satisfaction will be obtained through performance (Lawler & Porter, 1967), another recognized possibility resulted in more study which was about the fact that the relationship between satisfaction and performance is false. So it means that the recognized relationship between satisfaction and performance might be a not common relationship but it is the result of satisfaction and performance both in order to share similar causes.

2.4. Leadership Style

Model of Transformational Leadership formulated by Bass (1985) is an insight in which firms can motivate and encourage staffs to have better performance which is more than expectations. The model has been employed by practitioners and scholars and it is known as one of the helpful and distinct ways for challenging workers performance.

Even though this model that attracted a lot of experts, it has its own theoretical issues and limitations that have been recognized. Firstly, from an empirical point of view, there is no theoretical support for factor structure which was hypothesized of transformational model and the components validity with each other and the examples have been addressed by (Avolio, Bass, & Jung, 1999; Carless, 1998; Bycio, Hackett, & Allen, 1995).

Secondly, in defining the differentiation of transformational leadership subordinate's sub dimensions, there exist a vagueness as Bryman (1992) and also Yukl, (1999a) explained. Tepper and Percy (1994) and Carless (1998) in the contrary, stated that the main elements of transactional leadership and transformational leadership need to be studied as a whole and not only concentrating on separated aspects of model. Their statement was the result of shortage in empirical support for model, by the way, explaining logically the necessity of concentrating on individual components to better understand this model. For conclusion, it is important that for mentioning the addressed issues above, the scholar should first define a set of theoretically distinct and focused sub dimensions of the transformational leadership to explain logically this model.

2.5. Transformational Leadership theory

Burns (1978) is the first person who differentiated the transforming and transactional leadership. According to him transactional leadership is known as mutual relationship which is existed between followers and leaders in a way that followers obtain prestige and wages for being comply with expectations and objectives of their leader. On the other side, transactional leadership includes contingent rewards that are some specific and certain rewards being used for rewarding those followers who are capable of fulfilling the management and organization's goals with an exception that means managers just intervene at the time staffs do not fulfill the organizational goals or when something is not right.

On the other side, transformational leaders try to influence positively the morale of followers. They motivate the followers to have better performance which is above expectations and also they modify the beliefs, attitudes and values of followers in opposite to only achieving compliance as Bass (1985) and also Yuki (1999a, 1999b) explained previously. Moreover, Bass defined many sub dimensions for transformational leadership such as *Charisma* that later was renamed as Idealized Influence which was described as some compelling talent in order to induce motivation and encouragement from other individuals, *Inspirational Motivation* that originates from leader's approach to bring meaning or substance in the work which was given to their followers, also *Intellectual Stimulation* which attempts to rouse minds with mental tasks and finally *Individualized Consideration* through which leaders can pay attention to follower's needs in the best way.

However, the Transformational Leadership Theory was remarkably popular so it attracted a lot of scholars; but there might be concerns regarding the manner of model's sub dimensions in which they have been all defined.

Particularly, according to Barbuto (1997) there are many distinctions theoretically between inspirational motivation and charisma which have been modified in years. Yukl (1999a, 1999b) explained that a person's behavior diversity formed by contingent reward and individualized consideration has been known as a problematic issue in this regard. Furthermore, a highly rising critical issue has been recognized related to contingent rewards. Whittington, Wofford and Goodwin (2001) discussed that there are specific approaches for operationalizing the formulated framework that evaluates both transformational and transactional procedures.

The mentioned issue above explains that empirical studies have brought theoretical support for differentiation of Transformational Model's factors. The empirical evidence will be reviewed regarding the most popular employed measure of Transformational Leadership, named (MLQ), Multifactor Leadership Questionnaire.

2.6. Empirical support for the transformational leadership model

Bycio et al. (1995) by using MLQ-1 realized that there is a Five Factor Model which is proper and efficient for the collected data and includes intellectual stimulation, charisma, contingent reward, individualized consideration and also management by exception. By the way this research did not bring convincing proof for supporting Transformational Leadership Model (Tepper & Percy, 1994; Bycio et al., 1995). In addition, there is contradictory reported evidence regarding the model's structure. In particular, they identified a strong relationship between leadership elements which support the Transformational Leadership Model (Tejeda, Scandura, & Pillai, 2001; Carless, 1998; Avolio et al. 1999).

For explaining this fact, a Two-Factor Model that demonstrates a passive and active aspect of leadership was considered as efficient. According to latent factor correlation, it was revealed that scales of transformational leadership have been proven to be interrelated strongly (r_s ranged from .83 to .91). Moreover, the scale of contingent reward was connected with transformational scales strongly (r_s ranged from .79 to .83). Also this model demonstrated that average inter correlation of latent factor between transformational scales was .88 and the average inter correlation of latent factor between contingent reward and transformational scales was equal to .81.

Avolio et al. (1999) suggested many different models of factor structure regarding MLQ-5X. Originally developed model was not able to produce sufficient for data due to the inter correlation of latent factor between transformational leadership variables and high degree of latent correlation between contingent reward and transformational factors. It was concluded that MLQ subscales have high correlation and a high amount of variance of the mentioned scales have been explained through a high order paradigm.

Finally, Six Factor Model has been generated by means of a reduced category of items and it became the best developed model for data while it was compared to a set of available conceptual

models. By the way, the average inter correlation of latent factor for transformational scales was equal to .94 (rs ranged from .91 to .95), as well as average correlation between contingent rewards and transformational scales was equal to .90 (rs ranged from .86 to .93). Moreover, Carless (1998) studied MLQ-5X and explained that there is a proper hierarchical model for the collected data which includes individualized consideration, charisma and also intellectual stimulation showing different dimensions of second order structure named Transformational Leadership.

As discussed in the above findings, the experts used many tactics while studying the transformational leadership. Also Carless explained that MLQ-5X will not examine individual behaviors of transformational leadership but rather will measure a hierarchical, single paradigm from transformational leadership.

Based on Schriesheim, Williams and Pillai (1999) statements, they decided to employ a universal measure of transactional and transformational leadership against to examining sub dimensions individually. Other experts have utilized a condensed series of items for measuring transformational leadership such as Tejada et al., (2001). This latter approach highly was driven by empirical findings and was not followed by a theoretical and strong rationale in order to define allocation of the key factors to elements. The other researchers, for example Fetter, Podsakoff, Moorman and MacKenzie (1990), have presented their measures of transactional and transformational leadership.

These three strategies might all have some advantages at some point; by the way, it can be said that it is necessary to adopt a method which is driven theoretically while assessing the transformational leadership sub dimensions. Thus, it is better to review developed theoretical model by Bass (1985) and also recognize five sub dimensions related to transformational leadership which eventually will show discriminate validity or the level in which unrelated concepts will remain unrelated to each other. Additionally, the theoretical model developed by Bass will be utilized for providing better results.

2.6.1. Vision

As Bass (1985) mentioned, the most crucial aspect of transformational leadership is charisma. By referring to empirical results that support this explanation, the recognized Meta analytical outcomes demonstrate that charisma is highly connected with an effectiveness mechanism for example satisfaction from leader (Kroeck, Sivasubramaniam and Lowe, 1996). Experts were critical in defining charisma concept (Beyer, 1999; Barbuto, 1997). By the way, Beyer stated that charisma's necessary components have been ignored dramatically.

Weber (1968) explained that charisma includes five aspects which are as gifted person; ideas bringing radical solutions to problems, social crisis, a group of followers who are interested in exceptional people who have the belief that leader is connected to transcendent powers and finally validity regarding extraordinary gifts of talents or leaders by repeated achievements.

Generally, charisma as explained in Transformational Model, will not incorporate all of the explained components like the impact of context which surrounds the followers and leaders, single qualities connected to charisma, also the relationship that followers and charismatic leader

have with each other with transcendent powers of leader that have not been explored in past investigations. Generally, vision is identified as a crucial leadership element incorporated in a very logical framework of charisma.

House (1977) explained vision as an ideal which shows stakeholder's shared values. McClelland (1975) also explained that vision leads to adaption of organizational goals and values that motivates people to adapt the behaviors due to the behavior is attractive itself in opposite to charisma or attractiveness of leader.

In this research, vision is defined as the mental implicit expression of an image which is idealized of future which is shaped by organizational values. It is considered a common theme while talking about charisma. As Weber (1968) noted, a well identified vision is one of the basic factors which can impact charisma. According to House (1977), charismatic leaders show behaviors such as articulation of an ideology which enhances task focus, goal clarity as well as value congruence. This research attempts to concentrate on vision. It will help for better understanding of wider construct of idealized concept or charisma suggested by Bass previously.

2.6.2 Inspirational Communication

Bass (1985) suggested that charismatic leaders utilize emotional talks and inspirational allures to arouse motivation of employees that leads to self interest give up for having better good. Later, Bass (1999) asserted that inspirational motivation and charisma are shown when leader a desirable future is being envisioned by leader, and effectively articulates how it should be achieved, he provided an example, set high performance standards and demonstrates confidence and determination in all of the planned tasks. This will suggests that inspirational motivation and vision could possibly be combined as one united construct.

Although some experts have discussed that it is helpful to keep a distinction among inspirational motivation and vision (McClelland, 1975; Barbutto,1997), in the below discussion we suggest a class of theoretical rationale for generating a distinction among charisma's vision components and inspirational leadership's constructs:

Downton (1973) explained inspiration as power or action of stirring emotions or intellect to be stirring. In a similar study Yukl (1981, p. 121) suggested that inspiration is the degree to which a leader will stimulate enthusiasm between subordinates of the task that they have done and comments outwardly to make up subordinate confidence in order to successfully perform assignments and achieve team objectives in the best way.

On the other side, Bass (1985) limited using the concept inspirational leadership while a leader uses emotional and none intellectual qualities to inspirational or influence process. He asserted that inspirational leaders put emotional qualities to influence progress by using emotional approaches and inspirational communications.

The oral communication is considered as a recruiting dimension in available definitions for inspirational leadership. Commonly it is employed as a motivational instrument to increase emotions of followers. Therefore, as the outcome of combining oral communication and inspirational leadership, we will concentrate on inspirational communication. It is known as using emotion led statements and appeals to enhance the emotions of followers.

In this research, it is suggested that inspirational communication is considered as a distinct paradigm that is presented as verbal expression from positive messages related to employee

or/and organization; those statements which create confidence and motivation between organizational teams.

2.6.3 Supportive Leadership

Current discussions about individualized consideration have been moved into discussion about one identified component as the supportive leadership. For example Avolio and Bass (1995, p. 202) noted that leader shows more individualized consideration frequently by demonstrating positive and general support for attempts done by followers.

A factor which certainly distinguishes transformational leadership from the other types of New Leadership theories is called 'individualized consideration'. Initially Bass (1985) asserted that individualized consideration happens when leader has a degree of developmental orientation that means he/she is going to work into better organizational development. In addition, they will show some individualized attention to their followers and will respond properly to their unique needs.

In addition, there are other scholars in field of transformational leadership who also have concentrated on the supportive leadership. As Padsakoff et al. (1990) examined 'individualized support', that was known as behavior of leaders that demonstrates they have respect for followers and their needs as well.

This research will concentrate on supportive leadership and will employ extensive studies which were conducted for guiding our own discussion. House (1996, p, 327) explained a supportive leader exemplifies a behavior that has the direction into satisfying subordinates preferences and needs for instance showing concern regarding welfare of subordinates and generating a psychologically supportive and friendly work context. The supportive leadership is considered as a key dimension of effective leadership (House, 1971). Therefore we describe supportive leadership as expressing the concerns for followers and their personal well being in work context.

2.6.4 Intellectual Stimulation

As one of the highest underdeveloped aspects of transformational leadership, the intellectual stimulation as Loweet et al. (1996) noted, however this leadership element includes behavioral patterns which enhances interest of followers about being aware of organizational issues that help effectively to develop their capability to solve them through employing new approaches (Bass, 1985).

It was understood that the impacts of intellectual stimulation are obvious in increasing ability of followers to comprehend, conceptualize and also analyze issues and advanced quality of solutions which they create for the firm (Bass and Avolio, 1990). This factor of leadership might not have been the topic for extensive studies; however, it will includes a more comprehend set of behaviors compared to other sub dimensions of transformational leadership.

Therefore, this research kept the intellectual stimulation definition adopted by Bass et al. According to Bass (1985), the intellectual stimulation will be defined as increasing awareness and interest of employees of issues and advancing their capability to solve them.

2.6.5 Personal Recognition

According to theoretical evidences, it was understood that there is a significant relationship between transformational leadership's sub dimensions and transactional leadership, in a way that transactional leadership participates in management by exception and contingent rewards. The personal recognition as contingent rewards includes giving reward to followers for achieving certain performance level above expectations. According to Bass (1985) an expression of the

praise for all the well accomplished works, recommendations for promotions and pay increases and also commendations regarding best effort are some of the contingent rewards behavior examples.

Based on the empirical proof in previous studies, contingent rewards is positively and remarkably have correlation with transformational leadership and demonstrates a same relationship pattern to results as those sub dimensions which are transformational (Tepper& Percy, 1994; Den Hartog, Van Muijen, &Koopman, 1997).

There are many reasons that were suggested in order to define these significant relationships. Moreover, Goodwin et al. (2001) asserted that scale of contingent reward, as evaluated by MLQ-5X, will capture behaviors which are connected with reward's negotiations in order to have a better performance. In addition, those behaviors which are associated with reward's provision based on performance are similarly measured by scale of contingent reward. These scholars discussed that negotiation of leaders for giving rewards to appropriate performances reveals a certain type of transactional leadership.

By the way, through rewarding followers who have good performance we can show a transformational process due to leaders and followers in transformational relationships have some personal investment in vision and they are developed for being the effective organizational participants as much as possible. Hence, followers consider that a performance level which is consistent with vision specified and identified by the organization deserves to receive a reward.

Goodwin et al. (2001) provided support for contingent reward's Two Factor Solution by means of (CFA), Confirmatory Factor Analysis. These scholars have interpreted their achievements as bringing support for the discussion that contingent reward includes transformational and transactional processes both. This interpretation is significantly consistent with models of work systems with high performance (Vandenberg, Richardson, & Eastman, 1999; Becker & Gerhart, 1996; Arthur, 1994), that is able to make difference between reward with the role of control mechanism and the reward which is the designed component of system for enhancing staffs commitment.

2.7. Transactional Leadership

The transactional leadership can be defined as capability to freely interact with subordinates to describe the method of accomplishing a task and letting them know that there can be rewards corresponding with a well done job (Avolio et al. 1999). There exist different kinds of behavior which are inherent to transactional leadership that has been recognized by previous researches:

- (a) Contingent Reward: Automatically the followers get rewards for those accomplished tasks that are above expectations
- (b) Management by Exception (Active): The followers accordingly will be monitored and if necessary will be corrected for obtaining improved and better
- (c) Management by Exception (Passive): The followers will get conditional punishment related to certain discrepancies in job that are not relevant to the defined organizational objectives and goals

A survey has been completed by Chen (2005) of 244 members of nursing school faculty and it was identified that in these facilities, directors of Taiwanese nursing were all more transformational

leaders than laissez-faire or transactional people. In addition, the achieved results demonstrated that members of nursing faculty were satisfied moderately with jobs. They had the feeling that they have been given severe workloads that resulted in dissatisfaction with those jobs. The director's leadership style was not among the main reasons regarding dissatisfaction of employees.

In another conducted research, Chen employed previous higher education nursing schools in Taiwan which had 20 faculty members in full time. This research revealed that the idealized assumption as the transformational leadership variable and contingent reward as the transactional leadership variable significantly and positively can precede for job satisfaction in faculty.

2.8. Laissez-Faire Leadership

The passive type of leadership style is Laissez-faire leadership. There is not any type of mutual exchange or relationship between followers or leaders. Besides, it demonstrates a type of leadership style which is none transactional in which there is no on time and immediate decisions to be made, action have delay, the responsibilities of leadership all are ignored and there is a misused authority. This is known as a leader who is insensitive to follower's well being in work context.

The absence or avoidance of leadership is known as Laissez-faire Leadership (Judge & Piccolo, 2004). According to Bass and Avolio (1994), laissez faire style is just the absence of a true leadership and is an inactive and ineffective style based on almost all of the researches regarding leadership style. Therefore, Laissez-faire generally is considered as the most ineffective and passive leadership form (Yukl, 2006; Antonakis et al., 2003). This leader will give up all of his responsibilities and will not utilize his authority for overseeing the company.

In addition, laissez-faire leader demonstrates passive indifference that is the capability of being moved by other people for subordinates and the task. For instance, the laissez-faire leader do not considers followers needs and problems.

It can be said that the none-leadership dimension of transformational theory is laissez-faire through which leaders prevent to get involved when important problems and issues arise in company. Moreover, they do not make immediate decisions in order to solve those issues (Limsila & Ogunlana, 2008). The laissez-faire leader will withdraw role of leadership and provides no support for subordinates in order to improve the company (Kirkbirde, 2006).

2.9. Leadership Style and Job Satisfaction

Having distinct leadership style is a key element that impacts employee's job satisfaction which leads to organizational success. Additionally, job satisfaction is a critical and important outcome of having an effective leadership in an organization (Bass & Avolio, 1994).

The findings from many studies demonstrated significant impact of transformational leadership on job satisfaction of subordinates (Wiratmadja et al., 2008; Griffith, 2004; Avolio and Bass, 2004; Antonakis et al., 2003; Bass and Avolio, 1994). Their researches have demonstrated that job satisfaction has crucial impacts on productivity, organizational efficiency, employee relations, turnover, organizational performance and absenteeism (Oshagbemi, 2003; Schroder, 2008; Chen et al., 2006; Okpara et al., 2005; Oshagbemi, 2003; Koustelios, 2001).

Job satisfaction was identified as an important element which impacts employee behavior positively. The positive behavior of employee is the context in which staffs have job satisfaction and they have the feeling of more responsibility, commitment and accountability to stay inside the organization for a long time (Santhapparaja & Seyed Shah Alam, 2005).

Job satisfaction is considered as the most familiar work attitude indicator and a reliable feature to assess an individual's judgment regarding her/his job experience in an organization (Dessler, 2004). It can positively impact commitment and performance of the employees and decrease their turnover and absenteeism (Schroder, 2008; Lambert & Paoline, 2008; Okpara et al., 2005). The positive job satisfaction results to goal achievement and organizational effectiveness. Usually, high job satisfaction will help the employees to deal with obstacles for obtaining defined organizational objectives and goals.

According to the presented discussion above, the leadership style is known as a crucial determinant of staff's job satisfaction. Objective response of members to leaders usually is related to the employee's characteristics and also leader's characteristics (Wexley & Yukl 1984). As Seashore and Taber (1975) explained, job satisfaction mostly is impacted by internal organization environment.

This environment contains leadership types, organizational climate and personnel leadership. Scholars such as (Brockner, 1988; Chen & Spector, 1991; DeCremer, 2003) suggested that quality of relationship between employee and leader or its absence has a remarkable impact on self-esteem of employees in job satisfaction and workplace. They will be highly satisfied with those leaders that are more supportive and considerate rather than those who are critical and indifferent with subordinates (Yukl, 1971).

According to Wilkinson and Wagner (1993), the employees will be stressed to work if the leader demonstrates hostile behavior and is not supportive of their needs as the employees. When the subordinates cannot perform the work so they will select a leader who is able to provide sufficient instructions and guidance for doing the job in the best way possible (Wexley & Yukl, 1984). Also it was mentioned that if the relationship between employee and leader is negative so it will minimize productivity, maximize turnover and absenteeism in the firm (Ribelin, 2003; Keashly, Trott, & MacLean 1994).

Robbins (2003), stated that rate of employee resignation with transformational leadership application is compared less to organizations using transactional leadership among its members. Through improving working context of employees, meeting their expertise needs and also assisting them to perform their jobs better are the positive aspects relevant to transformational leadership as a whole (Liu et al, 2003).

3. Proposed Framework

According to all of the conducted researches above, it can be concluded that there is a significant relationship between job satisfaction and leadership style. On the other hand, the conducted researches by Yeh et al. (2013) and Weiss et al. (1967) emphasize on two vital dimensions for job satisfaction. First dimension is intrinsic satisfaction which includes achievement, ability utilization, authority and activity. The second dimension is extrinsic satisfaction including compensation, advancement, company practices and policies and recognition. However, this research developed the following framework as an appropriate framework (See Figure 2.).

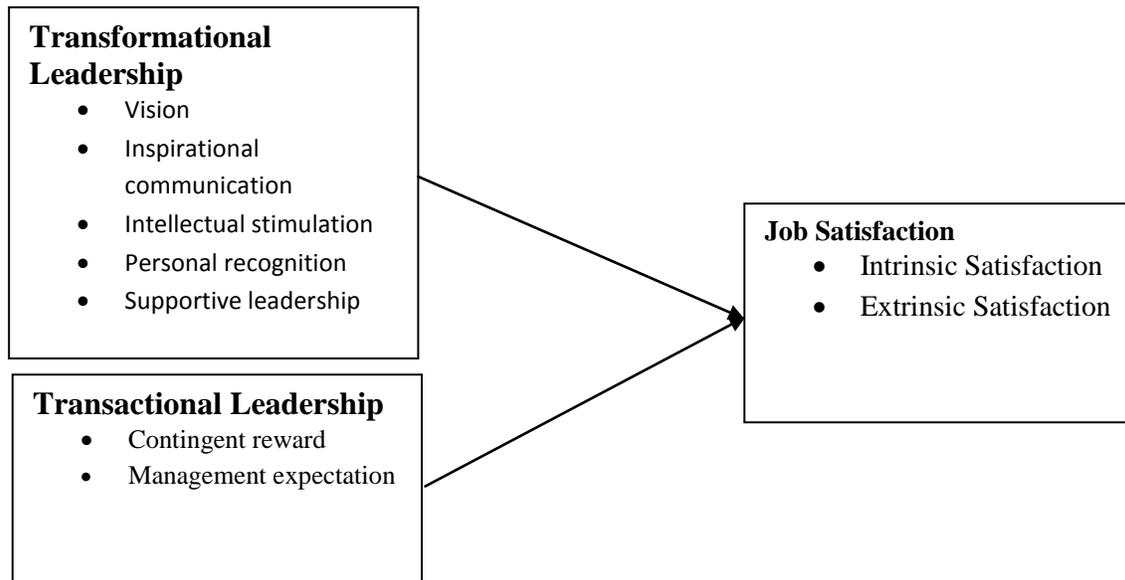


Figure 2: Proposed Framework

4. Conclusion

This paper first emphasized on some critical concepts such as job satisfaction, organizational performance, organizational commitment and job satisfaction in order to discuss the importance of job satisfaction. Besides, different type of leadership style and their relationship with job satisfaction have been presented. The findings obtained from reviewing previous researches resulted in proposing a framework for this study.

Future research can test the proposed framework of this study in different industries such as hospitality, manufacturing or ICT.

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