**UNIVERSITY OF KWAZULU-NATAL**


**Transactional and Transformational Leadership Styles and their Effect on Job Satisfaction for Employees in uMgungundlovu District Municipality**


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# DEDICATION

First and foremost, I would like to recognise God, my Lord Saviour's Grace. He gave me courage and wisdom to carry out this assignment, which is very important to me. I owe it to all to Him.

My gratitude goes to the my late parents, Mr and Mrs R Dlamini as well as my late parents-in-law, Mr and Mrs MA Hlengwa, whose support and motivation played a very significant role in making this study possible. I am disappointed that they did not live to see the end product for they would have been very proud. May their souls rest in peace. I am grateful to have been born and raised by such loving and responsible father and mother respectively. Their efforts of ensuring that the love for education is instilled on their children will not be forgotten for it is paying off. I truly appreciate them. The same goes for my parents-in-law. They did everything possible to ensure that I finish my studies, their love and support motivated me to complete what I had already started every time I felt like giving up. I dedicate this study to both of them. I truly cherish having had them as a part of my life and I will forever be grateful.

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Finally, I would like to dedicate this work to my two children whom I love very much. They are both amazing in many different ways and without their understanding, I would have not come this far. Ngcebo, my loving son, thank you for taking over some of the errands when I was not available to run them. Aphiwe, my dear daughter, thank you for managing, young as you are, to carry on without me on the days I could not be home on time for homework and just to spend time with you, during my study period. Thank you very much for your perseverance. It encouraged me further.

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# ABSTRACT

Changes in organisational structure, vision and leadership are inevitable in any organisation. Leadership style is a special distinctive trait that differentiates one leader from another. It is also a powerful effective force to influence followers to move from one direction to the next in achieving maximum results to efficiently and effectively deliver service to the community served. This research aimed at examining the influence of transformational or transactional leadership style on employee's job satisfaction at uMgungundlovu district municipality. This was a cross sectional quantitative study conducted among 214 participants who were selected using stratified sampling techniques. A self-administered questionnaire was used to collect data. Results showed that the majority (82%) of the participants were in favour of the transformational leadership style. There was a significant relationship found between leadership styles and job satisfaction. However the study also found that there is a significant association between race and job satisfaction.

Changes in organisational structure, vision and leadership are inevitable in any organisation. Leadership style is a special distinctive trait that differentiates one leader from another. It is also a powerful effective force to influence followers to move from one direction to the next in achieving maximum results to efficiently and effectively deliver service to the community served. This research aimed at examining the influence of transformational or transactional leadership style on employee's job satisfaction at uMgungundlovu district municipality. Quantitative research as a research methodology, questionnaires were developed as research instruments to target a total of 214 respondents (sample population) with five Likert scale questions consisting of three sections, namely A being demographical information, section B being leadership style and C being job satisfaction, these were distributed amongst the respondents and collected after two weeks. The sampling process was achieved through stratified sampling among the four departments that constitute the municipality and the various levels of positions that form the cross-section of the sample. After collection was analysed through use of descriptive and inferential statistics (Cronbach's alpha coefficient) for testing reliability of questionnaires. The results

showed that the dominant leadership style depicted by management of uMgungundlovu district municipality is that of transformational, where about 82% positively sided with his leadership style, in the context of awareness of the company strategy.  A correlation of job satisfaction to a leadership style was also achieved with most employees proving to be job satisfied in the context of participation in decision making, where about 70% of respondents were in the affirmative in this question. In comparison transactional leadership tendencies seemed minimal, for example; in the context of employees seen as lazy, only 32% were in affirmative as was only 46% in the context of low morale.

# Contents

**CHAPTER ONE**

**OVERVIEW OF THE STUDY**

1. Introduction

Effective leadership and employee job satisfaction are two factors that have been regarded as fundamental for organisational success.  An organisation's investment on employees and leadership styles are getting more important in today's thriftiness and is deliberately the most treasured asset for its foremost role in the growth of an organisation and to the entire humanity (Hill 2015; Leon-Cazares, Goud-Williams, Mostafa and Bottomley 2015). Many organisations measure financial muscles as the natural lifeblood to sustain their well-being. However, proper management of the financial resources is subject to productive human capital. Every organisation needs to have the best human resources in order to achieve the intended output.  Leadership has a stronger effect on the attitude of employees towards their jobs which results in fulfilment of organisational objectives (Dorfmann & Zapf 2001; Hill 2015).

Satisfied employees exert more efforts to achieve the organisation's objectives whilst content employees have a direct impact on the success of the organisation (Wicker 2011). Whenever employees are dissatisfied with their jobs, it may lead to adverse results such as withdrawal behaviours, growing costs, high rate of absenteeism, low morals, high rate of labour turnover, dropping profits and finally customer dissatisfaction (Funmilola, Sola and Olorusola 2012).

Research has proven that organisations all over the world are deeply concerned with understanding, searching and developing leadership styles which enhance job satisfaction (Voon, Lo, Ngui and Ayob 2011).  Leadership is expected to perform a vital role in instituting high performing teams when one takes into consideration the changing nature of organisation such as new structures and hierarchies, new ways of assigning work, and a very high rate of change; changes in the workforce, including employees' priorities, capabilities, and demographic characteristics.  Given a high rate

of change in the current work environment, the role of leaders in today's organizations has changed and the success of any organisation relies on the leadership styles practiced by the leaders.

## 1.1 Motivation of the Study

Municipalities are constantly trying to improve their productivity/service delivery. Research suggests that various leadership styles impact and affect job satisfaction of employees which correlates with the performance of the organisation (Kouzes and Posner, 2010; Risambessy, Swato, Thoyib and Astuti, 2012). There has been limited research that has been carried out on the effect of transactional and transformational leadership styles on job satisfaction rates of municipality employees. Understanding the effect of transactional and transformational leadership styles on job satisfaction levels of uMgungundlovu District Municipality employees can influence their productivity and thereby improving service delivery.

## 1.2 Purpose of the Study

The purpose of the study is to ascertain the effect of transaction and transformational leadership styles on employees' job satisfaction at uMgungundlovu district municipality in KwaZulu-Natal province, South Africa.

## 1.3 Study Focus

The study focused on the uMgungundlovu District Municipality (uMDM) head office. The Head office is based in the city of Pietermaritzburg, capital city of KwaZulu-Natal. The district has seven local municipalities, namely uMsunduzi, Mkhambathini, Richmond, Mpofana, uMngeni, uMshwathi and Impendle Local Municipality. In 2007 the National government made a legislative call for all district municipalities to become water services board for their local municipalities.

Therefore, the uMDM is responsible for water provision in each of these local municipalities with an exception of uMsunduzi local municipality which continues to provide its own water to the city and its surrounding areas. This therefore translates

into a high number of technical services' personnel who are employed by the district to render water related services. Over and above that, the Disaster Management service for the district is also overseen by the district office in Pietermaritzburg thereby adding to the number of staff employed. It must be noted that each local municipality is led by individual municipal managers as accounting officers, with their Honorable Mayors reporting to the Chief Mayor situated within the district offices.

## 1.4 Problem Statement

Organisations are constantly trying to improve their productivity/ service delivery. The question is which leadership styles can bear a positive relationship with the organisation's desired goal whilst leaving employees satisfied with their jobs. The leadership style identified in various units of the organisation is largely transactional in nature, with minimal attention given to interpersonal relationships. Some departments are characterized by high levels of absenteeism. According to Occupational Care South Africa (OCSA) and Statistics South Africa, there is a high level of about 15% of employees missing work every day compared to United State who average 2,5days of absenteeism per year. Amongst many other reasons of missing work, leadership was identified as the most common denominator in most countries (https://hrfuture.net: 14/10/2017).   In addition, low levels of employee engagement in decision making was observed.

## 1.5 Aim of the Study

The aim of the study is to examine the effect of transactional and transformational leadership styles on job satisfaction of the employees of uMgungundlovu District Municipality.

## 1.6 Objectives of the Study

To determine what factors contribute to job satisfaction /dissatisfaction.
To determine the relationship between job satisfaction and the transformational leadership style.

To determine the relationship between job satisfaction and the transactional leadership style.

## 1.7 Research Questions

1.7.1     What is the relationship between job satisfaction and the transactional leadership styles?

1.7.2     What is the relationship between job satisfaction and the transformational leadership style?

1.7.3     What is the association between the sociodemographic profile and job satisfaction?

## 1.8 Significance of the Study

The study is significant because it attempts to provide insights on job satisfaction of municipal employees, but also on leadership styles which are key if municipal service delivery is to improve in South Africa. The following stakeholders are identified as beneficiaries of the study:

a)  The Local Government

The Local government have interest in the success of Local municipalities, as they are the service delivery vehicle for the communities'. The National government relies on municipalities to improve the lives of their local communities by providing essential services, houses, sanitation and water infrastructure, better education and schools, hospitals that provide improved and better care. Human capital is behind all the services that need to be rendered to communities. A better care of human capital could lead to satisfied employees, improved quality of work and hopefully good service delivery in municipalities.

b)  Municipal Leadership

The leadership of the municipalities and other government entities will benefit from this study as it is the main duty for the government to deploy leaders that can come up with improved strategies to lead this country in this era of turnaround and transformation. Leaders should be able to have broader vision and mission, influence followers with caution, passion and best interest of the well-being of the organisation. It is hoped that

this study will assist municipal leaders in identifying aspects of their leadership styles that create job satisfaction but also dissatisfaction among municipal employees.

c) Work force

Employees are one of the most crucial asset of any municipality in South Africa. As such, the workforce must also understand the kind of leader they are following, in order for the whole organisation to be on the same level of understanding. With that unity, an organisational strategy and its implementation will have a smooth flow towards attaining the vision of the municipality. This is important for employees to understand as leaders set expectations for employees which they actually use to reward or punish employees.

## 1.9 Outline of the Study

The presentation of the study is as follows:

The first chapter provides an introduction to the dissertation, including the research problem, motivation, focus of the study and the research question to be addressed. It also outlines the aims and objectives of this study.

The second chapter is a literature review. It focuses on literature on the types of leadership and job satisfaction, particularly transactional and transformational leadership styles and their effects on job satisfaction. The implication and benefits of job satisfied employees can be tied to the best leadership styles.

The third chapter describes the various research methods employed in this study as well as the logic behind each one of those chosen methods.

The fourth chapter addresses the presentation, interpretation and discussion of the results. It is divided into two sections; the demographic profile of the respondents and the findings related to the objectives of the study. The findings of this study were discussed with reference to the relevant literature pertaining to the objectives of the study.

The fifth chapter concludes the findings of this research. Thesis conclusions drawn and recommendations arising from the study are presented. The limitations identified in this study are discussed and recommendations for further research are offered.

## 1.10 Summary

This chapter introduced the research on the effect of job satisfaction in correlation with the leadership styles; particularly transactional and transformational leadership styles. It summarized the nature of the research, together with the direction followed in this research.  The problem statement was formulated, together with the objectives of the study. The next chapter focuses on the literature review.

# CHAPTER TWO
# LITERATURE REVIEW

## 2. Introduction

This chapter discusses literature on leadership styles, particularly transformational and transactional styles. It also explore literature on job satisfaction in relation to the effect of each leadership style. The first section discusses transformational and transactional leadership styles. The second section describes job satisfaction before exploring the relationship between both leadership styles and their effects on job satisfaction.

Leadership models consist of theories or ideas on ways that teach us how to be influential, successful or effective as leaders in business. Philosophers and researchers for many decades had created and advocated for theoretical leadership models for leading effectively in business. These leadership models have changed overtime. The models proposed here which are more prevalent and accepted today in business are referred to as the more emergent or contemporary models. The importance of understanding the models and techniques of leaderships is increasing due to the increasing complexity, diversity and rapid changes in today's organisations (Crawford 2013; Belias, D and Koustelios 2014).

## 2.1 Definition of Leadership

Leadership is the ability to not only understand and utilize your innate talents, but to also effectively leverage the natural strengths of others to accomplish the mission. There is no one-size fits all approach, answer key or formula to leadership. Leaders should be the humble, authentic expression of unique personality in pursuit of bettering whatever environment they are in (Choi 2016). Leadership plays a crucial role in every organisation for the betterment of its welfare. It is defined as the influential process that moves the activities of employees, the goals of the organisation and proper effective communication between employees and employers. Effective leadership can produce preferred outcomes at an individual, group and organisational level (Belias 2014). Leadership is about inspiring others to pursue the vision within the limits a leader sets.

The vision is a shared effort and a shared success (Aziri 2011; Zeitchik 2012). Leadership is a process of social inspiration which makes the most of the energies of others towards the achievement of a goal. Leaders use these processes by applying their leadership knowledge and skills, which is called Process Leadership (Jago, 1982). Leaders also use their traits to influence followers' actions, this process is called Trait Leadership. These two processes below are shown in the below chart by Northouse (2007):

**Process Leadership Traits chart**

**Trait Theory Leadership**                    **Process Theory Leadership**

Leader

Resides in people

Can be observed

Leadership

Height Intelligence Extroversion Fluency Other Traits

Interaction

Leadership

Followers

Followers
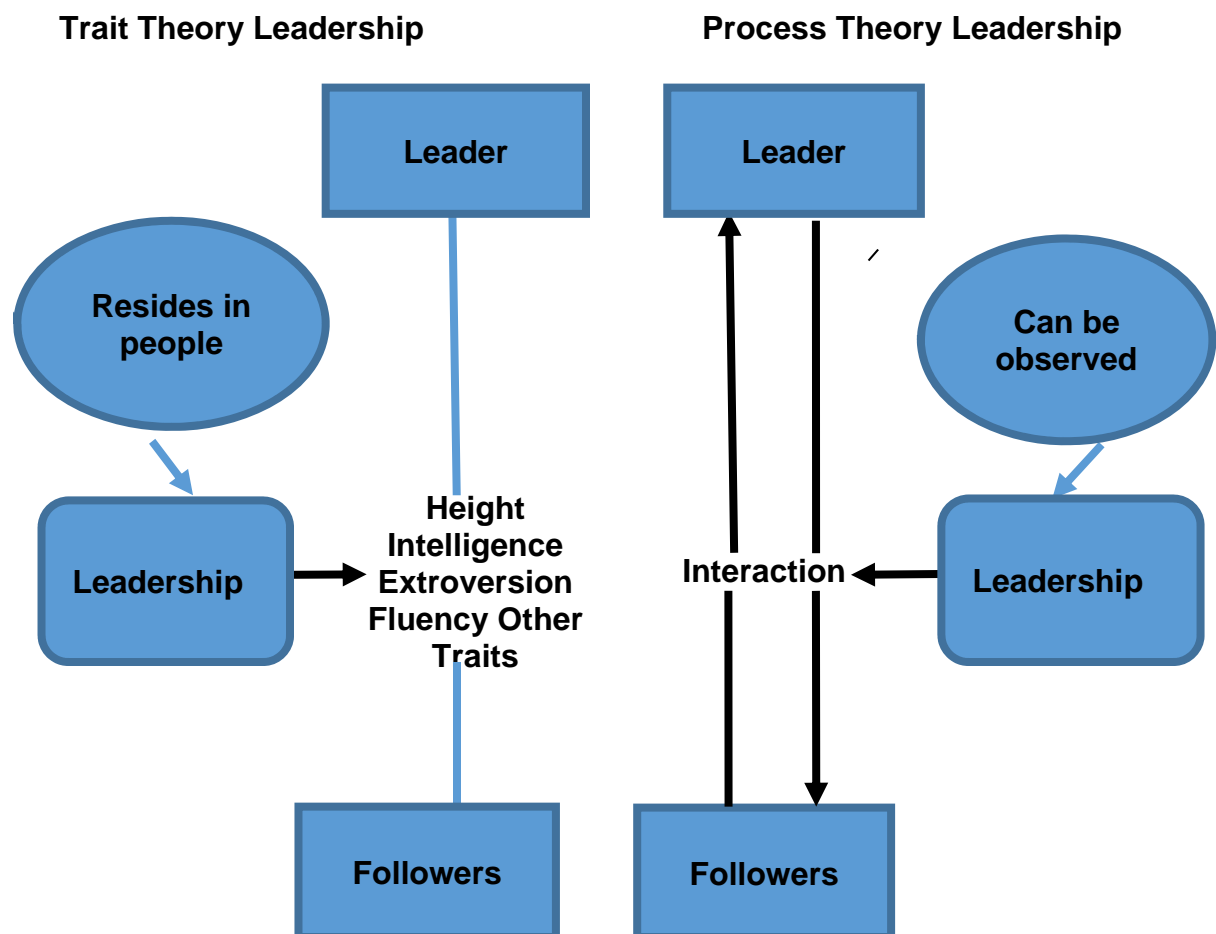
**Figure 2.1: Process Leadership and trait chart (Northouse 2007)**

It is noted that most definitions have common processes. A leader is able to influence people through social impacts, not power. Leaders also need others to get something accomplished. The bottom line is to share the vision and accomplish the goal. The approach employed consists of many dimensions, such as values, emotions, performance and behaviour (Belias 2014).

It is noted that management and leadership have some common elements, such as working with people and the attainment of goals for the organisation (Wongyanon, Wijaya, Mardiyomb and Soeaidy 2015). Management function is to provide consistency through planning, budgeting, organizing, staffing, and problem solving. While leadership's main function is to produce new processes or adaptation to change through shared vision, direction, guidance and inspiring followers (Sadeghi 2013).

Transformational, transactional and laissez-faire leadership types are commonly dominant in this era of leadership and management, with transformational and transactional leadership mostly used and researched by various scholars (Zaidatol, Sdeghi & Habibah 2011; Dubrin 2010). The current study is examining these two dominant leadership styles in the uMgungundlovu district municipality. Features of the transformational and transactional leadership styles are shown on the diagram below:

**LEADERSHIP STYLES**

**Transformational Leadership Style**

**Transactional Leadership Style**

Leadership

Leadership

**Idealised influences of charisma**

**Intellectual stimulation**

**Passive management by exception**

**Active management by exception**

**Inspirational motivation**

**Individual consideration**

**Contingent reinforcement and rewards**

**JOB SATISFACTION**
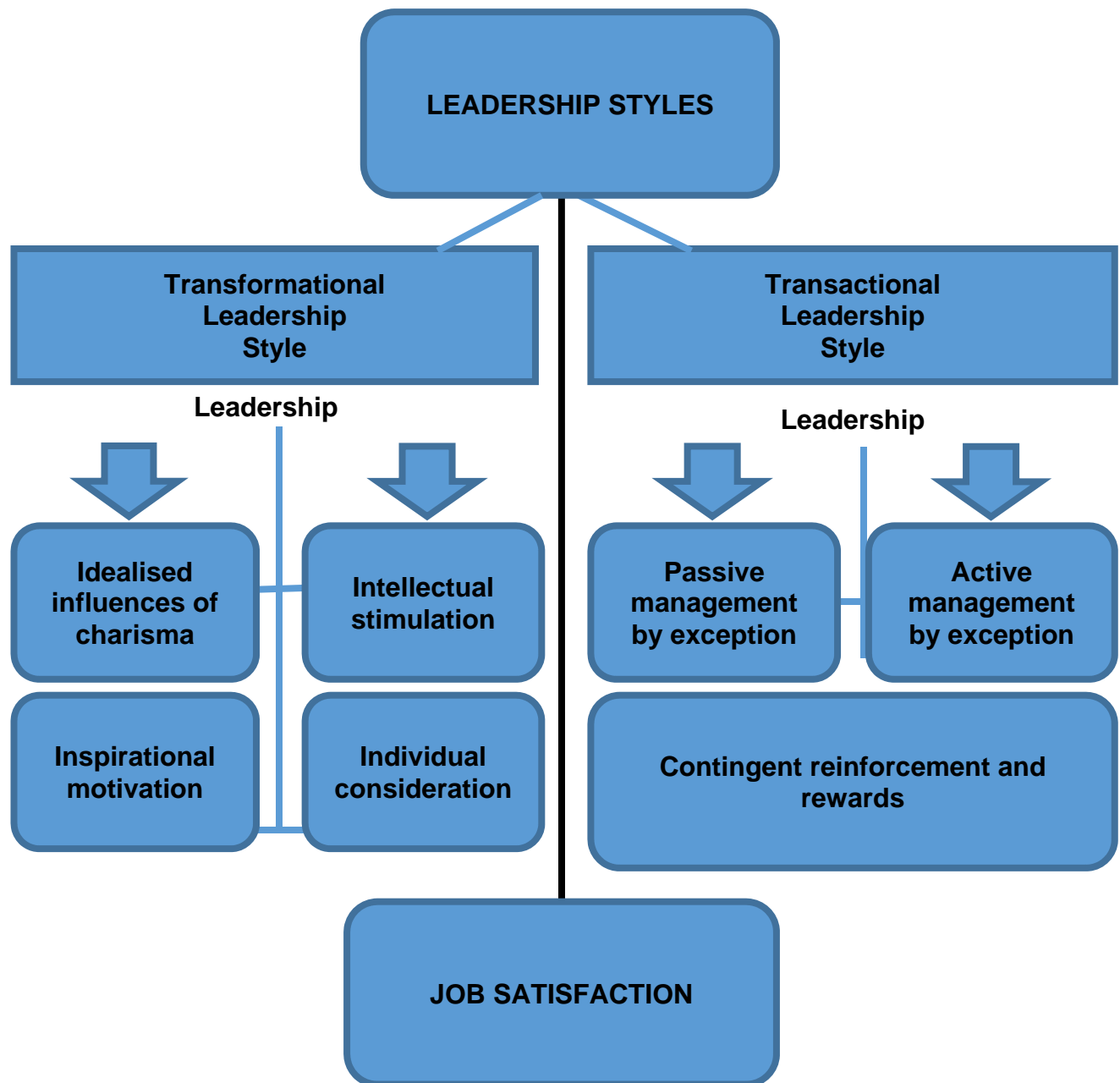
**Figure 2.2: The model of distinguishing features for transformational and transactional styles of leadership (2010)**

## 2.2 Transactional Leadership Style

Transactional leadership is a style of leadership in which the leader recognizes compliance of his supporters through both recompenses and reprimands. It is more of a "give and take" working relationship (Lai 2011). This style of leadership is not concerned with changing the future but rather looking merely at keeping things the same. It is required mostly in predicament and disastrous situations, and when it is necessary for the project to be presented in a specific model (Afshinpour 2014).

A transactional leader focuses on setting goals, articulating clear agreements regarding what the leader anticipates from organisational members, how they will be rewarded for their efforts and commitment and; to provide beneficial feedback to keep everybody on the same level of understanding. It also focuses on the role of supervision, organisation, and group performance. It promotes compliance by followers through rewards and punishment which is why it is also known as managerial leadership (Afshinpour 2014). These leaders are viewed more as task (rather than) people orientated. They depend on the need for power by promising rewards to their followers and gaining control over employees' compliance. Transactional theories of leadership were developed by the leader's abilities to identify the rewards necessary to motivate their subordinates in order to accomplish the business goals at a given time and space (Andreassen, Hetland, Pallesen and Notelaers 2011).

Research has also identified that most of the autocratic leadership style principles apply to transactional leaders. Autocratic leadership style is where a leader decides to involve no one in decision making about all things that pertains to the group being led. The leader will impose on the followers and no one is able or allowed to challenge their authority. In work situations one would find that employees are very dissatisfied, due to the inability to enhance processes they form part of. An autocratic style is rooted in leaders who have full organisational supremacy and power for decision making without the involvement of their subordinates (Long, Yusuf, Kowang and Heng 2014).

*2.2.1 Components of Transactional Leadership*

Components are small aspects of a complete system which forms the comprehensive characteristics of a transformational leader.

- Transactional leaders are concerned with completion of specified tasks through managing the individual. They focus on processes rather than forward-thinking ideas. To reinforce the positive result as specified, transactional leaders use contingent positive reinforcement such as admiration and promotion when the set aims have been met or task finalized at an earlier stage than expected. In a case where tasks are not completed or poor quality is produced they use contingent negative reinforcement such as suspensions or demotions or even penalties and withholding of incentives (Chio 2011).

- Leaders engage in profitable path-goal transaction of payment for performance. They clarify opportunities, exchange promises and resources for support of the leaders, arrange mutually satisfactory agreements and exchange assistance for effort (Chio 2011).

- Expected tasks to be performed are based on management-by-exception basis; it could be active or passive routes. Active management–by-exception is defined as a route where the manager closely monitors work routine and employ counteractive measures if deviations from the expected criteria arises. The application procedures, measures to eliminate mistakes are the guidelines of what is expected from the task performed (Bass 1998). Passive management-by-exception leaders wait for issues just before they crop up or issues are brought to their attention before fixing the problems (Odumeru and Ifeanyi 2013).

The Leader in the transactional mode gives instructions for a certain task to be performed, the team will be rewarded for effective performance or punished for poor performance. Followers led by this leader accept to be led in order to achieve a predetermined goal in exchange for a pre-stated reward. The leaders evaluate and train

subordinates when not effective hence incentivized when predictable outcome is achieved (Odumeru and Ifeanya 2013).

But as it is well known that a functional group is one whose individuals are all pulling together for the same course, and depending on the proportion of those who will not likely benefit from the current set up, this group is under threat of dismantling or being dysfunctional (Kreintner & Kinicki 2007).

**2.2.2 Dimensions of Transactional Leadership:-**
Dimensions are the measurable extents of a transactional leader, giving a clear understanding of the full picture with regards to the leader's style.

2.2.2.1 Contingent Reinforcement or Reward
The first aspect is contingent reinforcement or reward. In contingent rewards, transactional leaders connect objectives and goals to rewards for productive performance. These leaders make use of SMART (specific, measurable, attainable, realistic, and timely) objectives and goals for their subordinates. Good performance and effort are rewarded by the leader and poor performance is punished and disciplined. Agreements are made between the leader and the follower with both parties being well aware off the outcome of the agreement. The leader audits the needs and expectations of individuals to determine rewards to fulfil those needs and to increase performance levels by rewarding the accomplished task. According to Loganathan (2013), the leader uses rewards and promises to motivate workers to achieve performance as agreed upon.

2.2.2.2 Active Management-by-Exception
In active management by exception transactional leaders actively supervise their subordinates' work, ensuring that rules and regulations are followed and take corrective measures to avoid inaccuracies before they arise. A leader plays a role of being a monitor who applies corrective measures when deviations are noted. Employees who deviate from norms, rules and standards are punished (negative reinforcement).

Transactional leaders act on performances that do not match the original performance agreement. It is task orientated rather than persons orientated.

2.2.2.4 Passive Management-by-Exception

Passive management by exception is when the transactional leader is concerned with the standards and performance that are not met according to performance targets. This leader uses punishment to correct poor performance. There are no set standards or systems in place, this leader assumes that everyone is on the same level of understanding (Bellias & Koustelios 2014).

## 2.3. Advantages of Transactional Leadership

### 2.3.1 Employee Motivation

Based on compensation and consequence management, this leadership style is effective in driving employees into becoming productive and efficient members of the team. This is because of two reasons. Firstly, the compensation that the employee expects if he or she contributes to the organisation's success serves as the driving force for him or her to work doubly hard to meet deadlines, reach or even exceed quota. This relates to the fact that the employee knows that his efforts will not be left uncompensated. Secondly, this leadership style also serves as a reminder to a member of the workforce that management keeps an eye on them. It also reminds them that management is serious with its drive of expecting maximum performance from its employees whilst errors and sub-standard work would mean loss of points resulting in corrective measures (Saleem 2014).

### 2.3.2 Achievable Goals

With short-term planning as part of this leadership style, management ensures that its visions for the company or organisation will be realised. This is because goals and objectives only require a shorter time table to materialise. Consequently, these are easier to fulfil and less demoralising for employees. By making achievements more accessible in a short period, members of the team are more motivated to perform and

at the same time be more self-confident. This is partly because of the autonomy given to subordinates where they are able to carry out their tasks without having to be conscious that the eyes of management are directly on them (Lai 2011).

### 2.3.3 Clear Structure

Transactional leadership also has a structure that is clear and more specific. Employees of an organisation with this kind of management style, are alerted before-hand of what the company expects from them. They are also provided with clear instructions and are expected to follow a chain of commands making it easier for them to know proper channels to follow. This also makes them aware from day one that they will be rewarded for following objectives and completing their tasks with flying colours while they will also be punished if they go against the policies of the organisation (Long 2014).

### 2.3.4 Productivity and Costs

A Transactional leadership is effective when it comes to increasing production and cutting down costs. This is due to the fact that this leadership style has short-term goals that make it easy for employees to get things done. In addition to this, the rewards promised with this kind of leadership serve as motivators for members of the team to complete their tasks at the shortest time possible for the incentives, whether monetary or psychological (Odumeru and Ifeanyi 2013).

## 2.4 Transformational Leadership

Transformational theories of leadership were determined by looking at how the leader influences his/her followers, and how the followers follow their leader as a result of trust placed on the leader and honesty s/he displays. Transformational leadership is well-defined as the leadership style that creates an environment favourable to enhancing followers' or subordinates' interests in order to increase performance and job satisfaction. It also inculcates into subordinates a motivation to be more creative and innovative in the organisation's work (Houghton & Yoho 2012). Odumeru & Ifeanyi (2013) defines transformational leadership as the process of pursuing collective goals

through mutual tapping of leaders' and followers' motive bases towards the achievement of the intended change.

Transformational leadership is the process of influencing major changes in attitudes and assumptions of members in an organisation whilst building commitment for the organisation's mission or objectives. Afshinpour (2014) further states that transformational leadership occurs when leaders and followers raise one another to a higher level of motivation).

Transformational leadership style inspires and motivates followers. It gains commitment from followers, changes their attitudes, beliefs and goals and changes the norms of the organisation. It makes subordinates feel that they are treated as individuals, helps individuals view challenges in new ways and also communicates a new vision of the organization (Paracha, Qamar, Mirza, Hassan & Waqas 2012).

Transformational leaders exhibit charismatic traits. Charismatic leadership model is an extension of attribution theory. Supporters make acknowledgements of excellent or extraordinary leadership abilities when they perceive certain performances from a leader. The leader leads by imparting liveliness and willingness into team members to achieve their objective. Always on the run, never satisfied with stagnation, that is what a charismatic leader is (Kreitner & Kinicki 2007). Transformational leaders are more of people's person, in that they allow followers to share their ideas, give them room to expand their thoughts to the implementation stage. These are the characteristics of a democratic leader, which listens to follower's ideas and share in their initiative thoughts (Lai 2011).

A democratic leader listens to the ideas of others and takes responsibility for making final decisions, having weighed the inputs of his/her subordinates. Authority of decision making is shared amongst the leader and employees, leaving people satisfied with feelings that their inputs were taken into consideration when the final decision was taken. They take ownership of the process as being worthwhile partners in the

processes. Decentralized organisations seem to prefer a democratic style (Belia & Koustelios 2014).

### 2.4.1 Qualities of a Successful Transformational Leader

Over the years of research on leadership styles, it has been revealed that transformational type leaders have both strengths and weaknesses. Strengths have been researched using prominent, persuasive leaders from individuals to the whole organisation, strongly emphasizing principles and fellow's needs. Transformational leader's weaknesses were found to be too broad.  It is thus said that leader's qualities are more of a trait than a learned behaviour. The following are leader's traits:

- Sense of collective identity in their self- concept,
- Sense of consistency between their self-concept and their actions on behalf of the leader and the collective, level of self-esteem and greater level of self-worth.
- Sense of meaningfulness in their endeavour and lives.
- Act as a change agent within the organisation by setting example of how to initiate and implement change (Belias 2014).

Transformational leaders raise followers' propensity to extend greater effort in at least three ways.  Firstly, they raise awareness about the importance of certain goals and the means for their achievement. Secondly, they make followers abandon their self-interests and see themselves as the group whose needs are higher than those of individuals forming the organisation. Thirdly, they lead to satisfaction of higher needs of followers such as self- actualisation (Belias 2014).

### 2.4.2 Dimensions of Transformational Leadership

Dimensions are the aspects which reveal a bigger picture about the character and ethics of a leader's style.

2.4.2.1 Idealized Influence

The first dimension is Idealised Influence. In this aspect of transformational leadership, the charismatic leader gives vision and displays behaviour that inspires others to follow. Followers of this kind of leader idolise, respects and put their trust in them. These leaders' possess amazing skills, tenacity and determination. The idealised influence is attributed to the fact that the leader reassures others that all the obstacles will be removed for the team to perform and be satisfied in what they do (Al-Ababneh 2013).

2.4.2.2 Inspirational Motivation (IM)

The second dimension is Inspirational Motivation (IM). This has to do with the capacity of the leader to motivate others in committing to the shared vision, be a model for others as well as facilitate focused efforts. Bass (1985) mentions that trusted leaders always perform and portray themselves in a fashion that stir and kindle those who follow them to overcome challenges and meaning to their workflow. Team spirit is the key element in building up the characters of those who follow them. Long (2014) states that Idealized Influence and Inspirational Motivation forms part of Charismatic-inspirational leadership. Both factors of these dimensions appear and form part of the characteristics of Charismatic leaders.

2.4.2.3 Individual Consideration (IC)

The third dimension is Individual Consideration (IC). Individualised Consideration is when a leader is coaching to the specific needs of followers. Each follower is assigned a mentor or a coach in assuming the responsibilities given to them. For every new development program implemented, followers are encouraged to progressively attain high levels of potential with the assistance and support from their leader and mentors. Depending on the character of the follower, some portray a greater need for: - extra motivation, extra autonomy, others firm standards and extra task construction (Voon, Lo, Ngui and Ayob 2011).

2.4.2.4 Intellectual Stimulation (IS)

The last dimension is Intellectual Stimulation (IS). In this dimension the leader encourages innovation and creativity in their subordinates. It is the leader's way to effectively inspire followers to become who they are and to exercise their intellectual capabilities in problem-solving. (IS) leaders resuscitate what seemed to be dead and inject life giving new meaning and reframed structures of getting work/things done. Followers are encouraged to identify the setbacks and come up with solutions and new procedures to undo the challenge. The leader accepts all new thoughts and ideas in a comfortable and error free zone (Long 2014).

## 2.5 Advantages and Benefits of Transformational Leadership Style

Transformational leadership works well in organizations where change is needed because they are:

- Excellent at communicating new ideas
- Good at balancing short-term vision and long-term goals
- Experienced at building strong coalitions and establishing mutual trust; and
- Have integrity and high emotional intelligence (empathy with others).

One of the best uses of this leadership style is in an organisation that is outdated requiring serious retooling. It is also a perfect match for a small company that has big dreams and wants to change and adapt to get there. In both cases, the board of directors can bring in a transformational leader who will change the structure of the organization and also motivate the current workers to buy into the new direction (Hay, 2014).

Whilst one will at no stage imply that these leadership styles, that is, transactional and transformational are mutually exclusive, one feels bound to acknowledge the strategic appropriateness of transformational leadership and its higher degree of contribution

towards job satisfaction of employees. Transformational leadership is viewed as complimentary to transactional leadership style and therefore is likely to be ineffective in the total absence of transactional relationship between leaders and subordinate.

Transformational leadership style is possibly the utmost contributor of job satisfaction and more likely to bring about the positive correlation that organisations need so much for enhanced productivity/ service delivery, through job satisfied employees (Long 2013). According to Belias (2014) findings, it is perceived that staff who identify their management's leadership style as both transformational and transactional enjoy higher job satisfaction. Most likely leaders create conditions where they show their genuine interest in their subordinates and treat them as individuals by being considerate without derogating from needing them to complement each other as a group. The Transformational leader relies on communication with his or her team to achieve their goals. Basically he/ she teaches the players to be effective and efficient. This leader is highly visible and practically enforces the chain of command to achieve his/ her objectives. They focus on the bigger picture and rely on others to ensure effectiveness to the details. The leader always explores innovations that would propel the organization towards attainment its vision (Belias 2014).

## 2.6 Comparison between Transformational and Transactional Leadership

These are the two leadership styles that have dominated most industries in this century and most researchers have studied and researched on these styles to examine and come to understanding their impact on the organisational performance and sustainability.

**Transactional and transformational leadership style comparison**

| Transactional leader | Transformational leader |
|---|---|
| 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 leaders | Employees achieve objectives through high ideas and moral values |
| Motivates followers by appealing to their self-interest | Motivates employees by encouraging them to put group interest first |
| Management- by- exception: uphold the position, limit the pressure level to improve performance | Individualized consideration; every employee is regarded as an individual, their performance is recognized and considerations communicated to increase satisfaction and support. Intellectual stimulation: promote creative and innovation ideas to solve problems. |

**Table 2.1: Breakdown chart of transactional and transformational leadership James MacGregor Burns (1988)**

James Macgregor Burns differentiates between transactional and transformational leaders by clarifying that: transactional leaders motivate followers by giving rewards for the recognisable effort and good performance. It also goes to an extent of offering rewards for loyalty received from followers. Transformational leaders encourage followers to be creative, by outlining the specific outcome expected yet supporting followers in reaching their inner-satisfaction (intrinsic) to the highest order of hierarchy. Transactional leaders are more passive in their character whereas transformational

leaders are more active and lead by example thereby providing clear, non- ambiguous sense of vision and mission to be followed (Hay 2012).

Recently, arguments that transformational leadership may be more effective in a long term setting have been made in many research studies (Funmilola, Sola and Olusola 2013; Robbins 2003; Ojokuku and Sajuyigbe 2009). Transformational leaders receive/obtain higher levels of performance and satisfaction, from the team they lead, compared to groups directed by other types of leaders. Transformational leader's trust that their followers will perform to the best of their ability, leading members of their group to feel inspired and empowered (Odumeru & Ifeanyi 2013).

### 2.6.2 Transformational and transactional leadership styles comparison
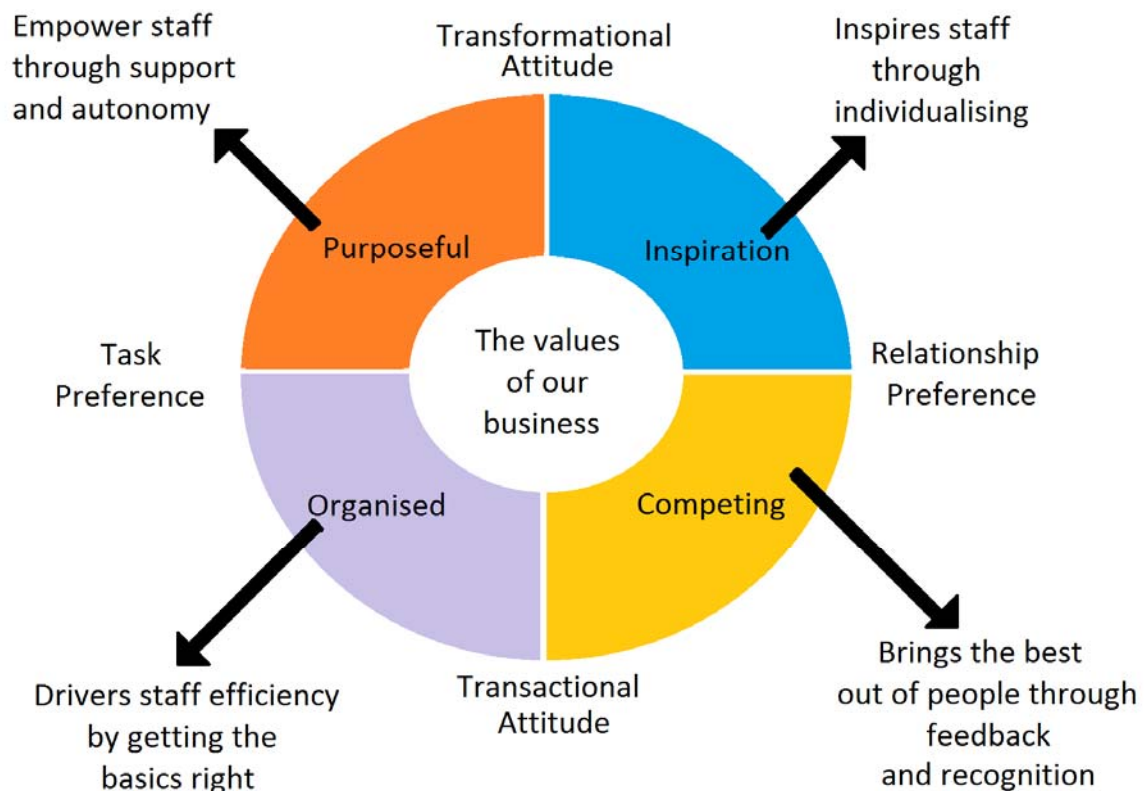


**Figure 2.3: Transformational and transactional leadership (Sarah Dixon 2010)**

Transformational leaders have purposeful and inspirational attitude, these are the dimensions of transformational leader. The values of the organisation are upheld by empowering employees, giving them support and independence to perform their given tasks. The individual needs of workers are taken care of according to their differences. The leader has the ability to identify and satisfy each employee's needs. Individual satisfaction at work results in a happy employee. The existence of the organisation, performance, job satisfaction and healthy environment is built on relationships (Ibraheem 2011).

Transactional leaders uphold organisational vision and values by controlling, organising the basic rights of the employees. Their attitude towards encouraging workers is based on task deliverance through rewards, recognition and feedback. Rewards can be retributive as well; they push performance by rewarding the best performance and discouraging poor performance by punishment. Feedback is shared for the benefit of rewarding performance (Shurbagi and Zahari 2012).

2.7 Effective use of Transformational Leadership

It is often said that business accomplishment or let down originates from fruitful or fruitless leadership. In presenting guidance, business specialists tend to come down on the side of either transformational leadership or of transactional leadership. Transformational leadership normally employs turnaround strategy in assisting the organisation's managerial tradition, hence making the ability for revolutionizing the entire organization. It is the best option for organisations to bring in transformed leaders which can turnaround the business to the liking of Board of Directors, internal and external clients.

The survival of the business relies on the best leader to shape the organisation in reaching its desired potential, profit and sustainability (Bass and Avolio 1992). This had mainly had been observed in private organisations. Hit is also necessary to have such leaders in local government to ensure that communities being served, staff and

Councils employing them are happy. The two strategic interventions where transformational leadership can be particularly effectively used are:

### 2.7.1 Turnaround Strategy

This strategy is often used in an organisation that is conducting business as usual but with an intention to move to a high stride, or in one that is deteriorating in the circumstances of its environment. Here, the knowledge achieved by one or more businesses is exploited by another business to achieve best practice (Burns 2010).

Marks and Spencer was able to regain its position in the market place by bringing in new leaders from outside the company with a transformational approach. It focused on implementing best practice in the supply chain and reconnecting with the consumer (Mark and Spencer 2004).

Yukos, the Russian oil company, brought in outside managers, (non-oil men), to its top management team, as well as many Western expatriates who contributed Western expertise. The transformational leadership of Mikhail Khodorkovsky, the former CEO of Yukos, helped the company to establish the basic operational capabilities required for operating in a market economy in a short space of time (Yukos 2007).

Both Marks and Spencer, and Yukos were effectively exploiting and deploying new knowledge and implementing best practices in order to catch up with their competitors in the global arena (Judge and Piccolo 2004).

### 2.7.2 Renewal intervention

This strategy is used when the organisation's situation is declining and strategic managers want to reverse the decline and put the organisation back on a more appropriate path to achieving its goals. Business reinvents itself to secure strategic supremacy. Transformational leadership is important in this situation, to encourage a break with an administrative heritage. Even though a business might currently be extremely successful, its very success may inhibit the search for new ideas due either

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to complacency or the fear of cannibalising existing business. Transformational leadership can help create a climate that challenges managers to develop new ways of thinking therefore encouraging the implementation of new projects. Transformational leadership can be seen as a key element in taking both failing and successful businesses forward.

In the current economy you would think that transformational leadership is the obvious choice to stimulate a business and to find new opportunities. But in times of great change is it actually transactional leaders who can reassure the multitudes and ensure stability in difficult times. Leadership style plays a crucial role in the success of any organisation, where vision and mission will be highly achieved; employees feel a great need to be taken into consideration when an overall strategy is drawn up. By so doing, it allows a positive platform for both leader and subordinates to feel satisfied with the organisation and for the employees to feel catered for by the organisation. The importance of  leadership in service delivery organisations has been emphasised by different researches because there is abundant evidence that good management and leadership leads to better outcomes for the internal and external clients served by that particular leader (Judge and Piccolo 2004).

2.8 Definition of Job Satisfaction

Job satisfaction is defined as a pleasurable or positive emotional state resulting from one's job or experiences. It is said that employees' attitudes towards their jobs take into account feelings, beliefs and behaviours, how they perceive their jobs is determined by their emotions (Omar 2013; Otieno 2016). Belias (2014), further states that job satisfactions is a pleasant emotional feeling which is generated by the feeling of one's appreciation towards the job or work experience. Research shows that if subordinates have unfavourable and negative attitudes towards their job, this means job dissatisfaction (Sadeghi et al., 2012).

Job satisfaction is how pleased an individual is with his or her job. There is dissimilarity between affective job satisfaction and cognitive job satisfaction. Affective job

satisfaction is the degree of pleasurable emotional feelings individuals have about their jobs as well as the intrinsic emotions stemming from their jobs or work experience. On the other hand, cognitive job satisfaction is the extent to which individuals' are satisfied with particular aspect of their jobs, such as salary package, pension, working hours and job security (Afshinpour 2014).

The general level of conceptualizing job satisfaction is simply how satisfied an individual is with his or her job. Research has found out that cognitive job satisfaction is defined more as objective and logical evaluation of various aspects of a job. It does not measure the degree of pleasure that arises from job aspects but rather measure the extent to which these aspects affects the job holder's satisfaction in comparison with other objectives they set for themselves. The two constructs are distinct, not directly related, and have different backgrounds and significance (Mustapha and Zakaria 2013).

The antecedents of job satisfaction can be categorized into two groups. The first group includes the job environment itself and some factors related to the job. The second group includes individual factors that each person will bring to the job including previous experiences and personality. Both groups of antecedents often work together to influence job satisfaction, thus the level of job satisfaction is affected by social, personal, cultural, environmental, and organisational factors (Mustapha and Zakaria 2013). It is further said that high levels of satisfaction bring confident sentiments while negative feelings are a results of low satisfaction (Peerbhai 2015).

According to Aziri (2011), job satisfaction is very important as it creates efficiency and effectiveness in the organisation. Therefore managers should treat employees as human beings with their own wants, needs, personal desires and expectations. It is thus said a happy employee is a successful employee. The findings of the study revealed that job satisfaction levels in the workplace are enriched by acceptable working conditions (Yulk 2006).

Spector (1997), mentioned three important features of job satisfaction in an organisation which are:

- Human values should take first priority in the organization, such as treating them with fairness and respect. Good and professional human ethics create effectiveness and efficiency of the employees.

- Organisational performance depends on the behaviour of workers attitudes which affect the functioning and activities of the organisation. People develop attitudes towards their jobs by considering their feelings, behaviours and beliefs (Longnathan 2013).

- Job satisfaction can serve as an indicator of high performing units within the organisation. This indicator should assist in identifying units that requires changes.

A study conducted by Aziri's (2011) demonstrate large influence on the job satisfaction on the motivation of workers while the level of motivation has an impact on productivity and also the impact of the employees' perception on the overall job satisfaction. Highly satisfied employees demonstrate greater commitment towards their jobs and the organisation at large. Financial compensation has a great impact on the overall job satisfaction of employees. Workers also work for other purposes of life other than pay (Loganathan 2013).

### 2.8.1 Concepts of Job Satisfaction

The explanation of the construct of job satisfaction gives clear understanding on job satisfaction issues. According to Thangaswamy (2013), there are three concepts of job satisfaction namely:

- Job satisfaction and job attitude: - attitude is how a person feels about a particular object or situation, hence job satisfaction is how an employee feels about his/her job.

- Job satisfaction and Job attraction: - job satisfaction is the feeling one has gained on the job yet job attraction is transpired by the future self-satisfaction.

- Job satisfaction and Morale - determination of employees is determined by satisfaction or dissatisfaction.

## 2.8.2 Dimensions of job satisfaction

The concept of job satisfaction includes multi-dimensional responses to one's job, and that such responses have cognitive (evaluative), affective (or emotional), and behavioural components (Weiss, Dawis, England and Lofquist 1967). Weiss (2002) has also argued that job satisfaction is an attitude but points out that researchers should clearly distinguish the objects of cognitive evaluation which are affect (emotion), beliefs and behaviour. This concept of job satisfaction suggests that we form attitudes towards our jobs by taking into account our feelings, our beliefs, and our behaviours (Funmilola, Sola and Olusola 2013).

Job satisfaction has dimensions which are Affective and Cognitive job satisfaction. Affective job satisfaction is the degree of pleasurable emotional feelings individuals have about their jobs overall. Positive effect put forth the level of enthusiastic, active and alert mood an individual feels about his/her job (Salem & Gholtash 2011). It is further noted that employees' moods and emotions are fundamental building blocks that form the effective element of job satisfaction (Peerbhai 2005).

Cognitive job satisfaction is the extent to which the individual is satisfied with a particular aspect of their jobs, such as salary package, pension, working hours, working conditions in general and job security (Thangaswamy 2016). Literature advocates that many employees are influenced by various job satisfaction factors which are: salaries, fringe benefits, recognition, achievement, autonomy, job importance, colleagues, job security, superiors support, decision making flexibility, interpersonal relationship working condition and inherent factors within the working settings (Chaudhry and Randeree 2012).

These dimensions make it easy for the organisation to understand the motivation of each individual to perform at a certain level and make necessary budgets in terms of expectations for the future, for instance if the individual is only happy with his/her salary, management should know how long that satisfaction lasts and prepare accordingly.

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Different procedures of job components are classified into job satisfaction, which enables the organisation to identify variances where changes and improvements could be implored (Moe, Pazzaglia and Ranconi 2009).

### 2.8.3 Sources of Job satisfaction

There are job elements that contribute to job satisfaction such as wage structure, promotion opportunities, and nature of work, policies, group relations and working conditions.
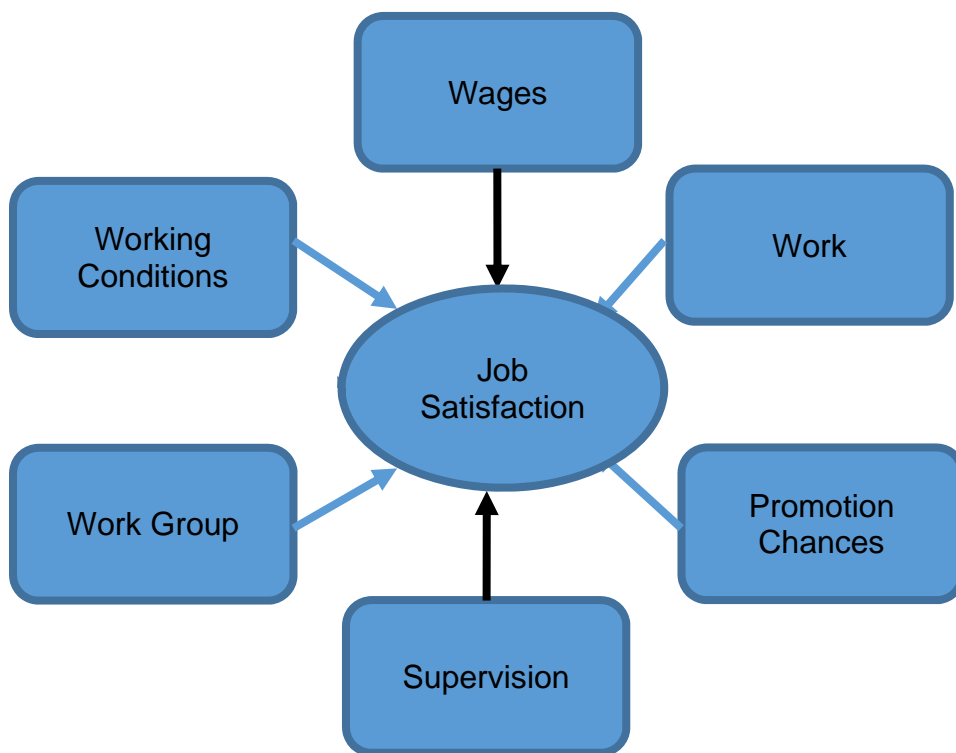


**Figure 2.4: Sources of job satisfaction**

2.8.3.1 Wages
Wages are seen as fair if they meet the expectation of individuals. Although there are some measures that makes it fair on the surface such as, individual skills and market related standards encourage employees to do their jobs, wages are viewed as the

common factor that motivates people for the mere reasons that money is the only medium of exchange to fulfil people's needs (Funmilola, Sola and Olusola 2013).

### 2.8.3.2 Nature of Work

Employees have a need to develop and grow within their skills through a variety of skills, flexibility, autonomy and feedback on their work performance. Less challenging work creates boredom and stress, more challenging work creates stress of overload, frustration and fear of failure. Therefore work should be designed to have more flexibility and element of pleasure leading to satisfaction (Sajuyigbe 2013).

### 2.8.3.3 Promotions

Promotional chances are considered to have a tremendous effect on job satisfaction. Promotion involves job enlargement, span of control, responsibility and independent authority. Employees' feelings towards their jobs is created by the realisation of possible promotional opportunities (Olorusola 2012).

### 2.8.3.4 Supervision

Supervision plays a crucial role in the establishment of the relationship between employees and employer (Adeyemi 2013).

### 2.8.3.5 Working Conditions

Improved working conditions contribute to job satisfaction. Better facilities such as neat office space, tools and equipment relevant for the task to be performed (Arzi and Farahbod 2014).

### 2.8.3.6 Organisational policies and procedures

These should be fair and consistent throughout the organisation. A sense of belonging to ethical organisation brings job satisfaction (Otieno 2016).

## 2.8.4 Measuring of Job Satisfaction

There are various ways of measuring job satisfaction and the common ways of measuring job satisfaction comprises critical incidents, rating scales, interviews and action tendencies. This study focuses on two of these which are; Job Descriptive Index (JDI) and Minnesota Satisfaction Questionnaire (MSQ).

### 2.8.4.1 Job Descriptive Index (JDI)

This scale weighs the proportions identified by Smith, Kendall and Hulin (year) in the five point scale. The Job Descriptive Index has different scales for promotion, satisfaction with pay, work, supervision and co-workers.

### 2.8.4.2 Minnesota Satisfaction Questionnaire (MSQ)

| 1. | Ability utilization | 11. | Recognition |
|----|---------------------|-----|-------------|
| 2. | Achievement | 12. | Responsibility |
| 3. | Advancement | 13. | Moral Values |
| 4. | Activity | 14. | Social service |
| 5. | Company policies and practices | 15. | Social status |
| 6. | Compensation | 16. | Security |
| 7. | Authority | 17. | Supervision – technical |
| 8. | Creativity | 18. | Supervision – human relations |
| 9. | Co-workers | 19. | Variety |
| 10. | Independence | 20. | Working conditions |

**Table 2.2: Minnesota satisfaction questionnaire by Weiss Dawis 1969**

Minnesota Satisfaction Questionnaire has 20 factors, which have five questions to study in each of the 20 factors. There are therefore, 100 questions in total on Minnesota Satisfaction Questionnaire.

## 2.8.5 Theories on Job Satisfaction

Job satisfaction is addressed by various theories that unpack the understanding of satisfaction in an individual which leads to a certain behaviour formed by a set of attitudes. Organisational success relies on workers motivation and commitment exerted

in their performance to achieve the organisational objectives. Motivated employees result in increased productivity yielding high rate of success in the organisation and to an individual life style. Consequently, a person is motivated by the achievement of his first need, which propels for the higher level of attaining the next personal desire. Automatically it is vital that satisfaction is derived from the job content, which is the primary source of the existence of work position he was employed to fill (Longanathan 2013).  For purpose of this study, only a few theories will be discussed; which are Maslow's hierarchy of needs, and Herzberg's motivation-hygiene theory, Need theories and Equity theory. Gudmundson and Lundberg (2009) identified these theories as adequately addressing job satisfaction

2.8.5.1 Abraham Maslow's Hierarchy Needs theory (1943)
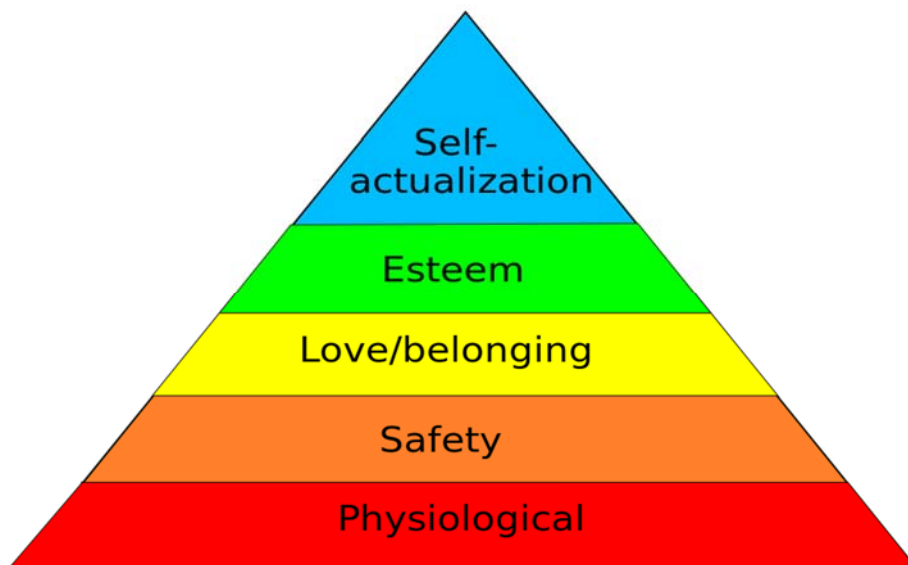


**Figure 2.5: Maslow's hierarchy of needs theory**

Maslow's hierarchy of needs theory, which is a motivation theory, laid a foundation for job satisfaction theory. This theory explains that people seek to satisfy five specific needs in life which are: physiological needs, safety needs, social needs, self- esteem and self-actualisation (Zhou 2012).

Literature have showed that individuals have a great need to satisfy the lower levels of the hierarchy which are; psychological and safety needs before higher level needs could be fulfilled. It is thus said; it is difficult to desire higher level needs unless lower needs have been fulfilled. Employers have a greater need to ensure that all five levels are satisfied in order to have a well-balanced employee, who is personally and work satisfied. Hence the only way to ensure the success of motivating employees is to identify the unsatisfied desire of an individual (Zhou 2012). The hierarchy of needs is explained below:

2.8.5.1.1 Physiological needs
These needs are made up of basic needs of every human being. They are in the lowest order of needs. The survival of a person hinges on food, water, air and shelter without the fulfilment of these needs there is no survival.

2.8.5.1.2 Security needs
Every individual is looking for a place that is safe and stable. This level also forms the basic need desires of an individual. It is important to fulfil this level for each and every individual in order to reach the next level. Employers who have larger portion of workers on a temporary basis do not assist those individuals to feel safe, secure and stable. The fear of the unknown is one of the demotivating factors in the workplace.

2.8.5.1.3 Affiliation needs
Affiliation needs is the desire to have meaningful relationships, social reception, love and attention. It ranks in the middle of the hierarchy. With regards to work environment, people tend to form small groups that they affiliate with. They want to feel like they are part of the working group which tends to become social group outside of working environment. The rejection one feels when not accepted by co-workers can cause low morale and decrease levels of satisfaction.

2.8.5.1.4 Esteem needs

Esteem reflects a person's overall subjective emotional evaluation of his or her own worth. It is a judgment of oneself as well as an attitude toward self. This is a level of intrinsically satisfied (Khan 2013).


2.8.5.1.5 Self-Actualization needs

This is the highest and final need, it manifest after all the below needs are met. It is the feeling that is realised by each individual. It is the master motive to realise person's supreme potential and possibilities.

Literature states that people are motivated by the needs that are not satisfied. These needs become a motivator to strive forward in attaining them. Hence, satisfaction gained serves as a motivator to accomplish the next level need. Maslow's theory has shed the light and gave path for managers to better understand the forces of job satisfaction and individual growth (Gao and Taarmina 2013).


**Frederick Herzberg's Two- Factor theory**
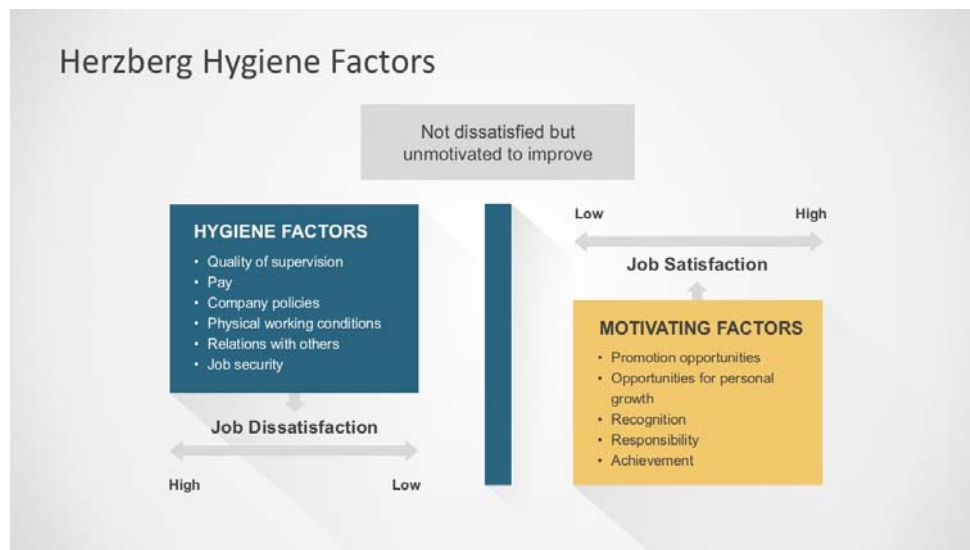


**Figure 2.6: Frederick Herzberg Two Factor theory (1959)**


The two-factor theory (also known as Herzberg's motivation-hygiene theory and dual-factor theory) states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. Frederick Herzberg theorized that job satisfaction and dissatisfaction act independently of each other.

Hygiene theory attempts to explain satisfaction and motivation in the workplace whilst Lundberg (2009) cited that a satisfied employee is a performing employee. An employee's motivation to work continually relates to job satisfaction. According to Lognathan (2013), hygiene factors affect the condition that incorporate task performance but rather not directly relate to the task. Motivation is seen as inner force that drives individuals to attain personal and organisational goals (Hopkinson, Porter & Wrench 2013). Barnet (2015) further states that a person's job content should be the source of inner motivation. Therefore jobs should be intrinsically motivating to create job satisfaction   Motivating factors are those aspects of the job that make people want to perform, and provide people with satisfaction, for example, work achievement, recognition and promotion opportunities (Kreitner and Kinicki 2007).

The theory of motivation can be seen as more related to satisfaction than to motivation. For example, Herzberg's theory considered the theory of job satisfaction as relating to motivation at work (Mullins 1998). The content theories suggest unsatisfied needs lead to an unstable situation and state of tension. Herzberg's theory contended that hygiene factors include working conditions, interpersonal relations, supervision, job security, benefits, company policies and management and salary. When the level of these factors are unacceptable to employees, job dissatisfaction occurs. On the other hand, an acceptable level does not automatically lead to job satisfaction but it prevents dissatisfaction and performance decline. Motivating factors such as autonomy, achievements, advancement, recognition and work itself are intrinsic motivators which leads to motivation hence job satisfaction. Dissatisfaction is linked with adverse extrinsic sources (pay, policies, working condition and supervision, factors in personal life, status and job security are hygiene factors (Hopkinson, Porter & Wrench 2013). Intrinsic elements are related to job satisfaction and have very minor impact on pay but more on responsibility and recognition (Galanou, Georgakopoulus, Sotiropoulos and Vasilopoulos 2010).

To motivate workers in accordance with the theory, managers must focus on changing the intrinsic nature and content of jobs themselves by enriching them to increase

employees' autonomy and their opportunities to take on additional responsibility, receive recognition, and develop their skills and careers. This helps by enriching and improving their jobs so that the team will be able to increase effort to improved performance (Barnet 2015).

## 2.8.6.1 Equity Theory

Equity theory shows how a person views fairness with regards to social relationships. During a social exchange one measures the amount of input from that relationship compared to the output as well as how much effort was used by another person. If there is a feeling of inequity between the two social groups or individuals, the person may likely feel distraught and uncomfortable because the ratio between input and output is unequal. Psychologists have extended the equity theory, suggesting three behavioural response patterns to situations of perceived equity or inequity. The level of each type affects motivation, job satisfaction and job performance (Schultz 2010).

Equity theory suggests that individuals engage in social comparison by comparing their efforts and rewards with those of relevant others. The perception of individuals about the fairness of their rewards relative to others influences their level of motivation. Dagnan, Disley and Hatton (2009) further attest to the fact that theory goes beyond individual but compares fairness and equity with respect to others. The equity theory stresses how employees value a fair reward and recognition system. In order to keep the team motivated, a leader would therefore try to ensure rewards are equal and worthwhile to the team (Barnet 2015). The inputs made by workers are perceived to yield an equal output in return (Galanou *et al*, 2010).

**Job Inputs and Rewards**

| INPUTS | REWARDS |
|---|---|
| Qualifications | Fringe benefits |
| Experience | Remuneration |
| Loyalty | Job security |
| Personal skills | Job status |
| Intellectual ability | Recognition |
| Effort | Career advancement |
| Personality traits | Participation |
| Seniority | Opportunity for personal development |

**Table 2.3: Adapted from Dagnan, Disley and Hatton (2009)**

Inputs and rewards are determined to consider the level of assumed equity when comparisons are made. Employees feel satisfied when there is a balance between what they put in as a performance and what is expected as a reward from the organisation. People tend to compare what they receive against others on a similar position, when they know that there is a balance between them, they sense equity which in turn leads to satisfaction hence if there is a mismatch they experience inequity and lose interest and trust, leading to dissatisfaction. Equity could be positive or negative depending on a person's perception. This theory is useful in describing factors that lead to the lack of job satisfaction (Lognathanan 2013).

## 2.9 Correlation between Leadership Style and Job Satisfaction

A study by Omar and Hussin (2013) in Malaysia, on Structural Equation Modeling (SEM) by means of Confirmatory Factor Analysis (CFA) on Transformational Leadership style and Job satisfaction relationship, found that an organisation needs to have a worthy transformational leader in order to provide an effective team work that will increase job satisfaction among the employees or followers as well as for realizing organisational mission and goals. Findings on this study found the inconsistency from previous studies; it showed that individualized consideration is negatively related to job satisfaction. This was explained by the over- emphasis on individual attention as a substitute of team work, which leads to decrease in job satisfaction of the followers'.

In Trikala, Greece, University of Thessaly, Dimitrios, Belias and Koustelios(2013), in a study of Transformational Leadership and Job Satisfaction in the Banking Sector, it was inter alia found that the Banking Sector has gone through a lot of changes in terms of hierarchy and function, which affected its internal organisation and external policies. For this reason several studies have been carried out to investigate the relationship between organisational culture, leadership and job satisfaction among bank employees. Findings of this study further stated that transformational leader attributes, such as empowerment, clear vision are significant to employees' motivation and performance. It associates with high job satisfaction and job commitment. Contingent

rewards were among the indicators of success in the banking industry. It was attributed to transformational rather than transactional style.

Transformational individualized consideration correlates positively with short-term and negatively with long-term satisfaction. Findings shows that transformational leadership style is considered to be more effective and implemented in most business sectors, it has also proven to be appropriate and effective, with the positive influence on employees' performance, job satisfaction and job commitment. In a case study from Private Banking Sector of Pakistan, by Ali Javed, Jaffari and Muzahir Rahim (2014), it was found that the transactional leadership style is more adopted by branch managers in the private banking sector of Pakistan as the main style that can increase job satisfaction of employees compared to the transformational leadership style.

It was eventually found that in the banking sector transformational leadership has proven to be quite appropriate and effective, having positive influence on several aspects, like employees' performance, job satisfaction and job commitment. It was also found that transformational leadership is most common in western-type societies and is considered to affect the employees' motivation, vision and empowerment and the banks' total function and well-being.  Arzi and Farahbod in Malasia studied the relationships of transformational and transactional leadership styles with job satisfaction and discovered that through improving the working context of employees, meeting their expertise needs and also assisting those to perform their jobs better are the positive aspects relevant to transformational leadership as a whole.

In Odumeru and Ifeanyi, in Nigerian's Yaba College of Technology, in a study of Transformational versus Transactional Theories, it was found that both theories have their various strengths and weaknesses; however the influence of situational variables on leadership outcomes in the context of both style cannot be ignored. In The Impact of Transformational Leadership Style on Job Satisfaction, by Choi Sang Long et al (2014), it was suggested that an effective leadership development and intervention, which is vital to consider, as suggested by Kouzes and Posner was that:

- Leaders have to inspire a shared vision for stakeholders
- Leaders must engage with challenges and
- Ultimately leaders have to encourage and enable others to act

Furthermore leaders must act as good role models and displaying full commitment to accomplish organisational objectives and gain trust from organisational members. Leaders should coach, paying attention to employees' desires, needs and abilities, provide support and help them develop their talents.

Literature has identified leadership styles that are fundamentally linked to positive results such as job satisfaction, follower motivation and organisational performance (Leon Cazares *et al* 2015). The findings of Piccolo (2004), supports the correlation between effective leadership and transformational leadership component (Idealized influence, inspirational motivation, intellectual stimulation and individualized consideration) and one dimension of transactional leadership which is contingent reward. According to the findings by Voon *et al* (2010), transformational leadership might ultimately nurture job satisfaction, given its nature to impart a sense of mission and intellectual stimulation. On the same note these researchers find that transformational leaders have a positive relationship with job satisfaction, whereas transactional leadership style has a negative relationship with job satisfaction in a government organisation.

## 2.10 Summary

Leadership models have a strong influence on how organisations choose to lead. These models are the foundation for the development of harmonious work environments which lead to productivity and employee job satisfaction whilst maintaining a competitive advantage. Organisations that support diversity and changes are able to successfully compete in a global sphere. Choosing an effective leadership style means ensuring your organisation has a strong core of leaders who will be able to meet and handle challenges in a strategic and well executed process with the best interest of all stakeholders.

This chapter discussed literature from various studies pertaining to the transactional and transformative leadership styles, and on job satisfaction. Independent variables were divided into the transformational and transactional leadership. The dependent variable comprises of how an employee's is satisfied by their job. Thus the conceptual framework was developed to study the factors affecting leadership and job satisfaction in the organisation. The following chapter presents the methodology used to investigate the relationship between transformational and transactional leadership style and the effect they have on employee's job satisfaction.

**CHAPTER THREE**
**RESEARCH METHODOLOGY**

**3. Introduction**
This chapter focuses on the research methodology and approach used for this study. It focuses on issues related to the investigation design, mechanisms, sampling techniques and practices as well as pretesting and authentication. Research methodology is defined as a philosophical stance that underlies the research methodology chosen for the research problem (Delvin (2006), Bryman and Bell (2007), Coolican (2009). The purpose of research is to find out solutions to a problem, it is imperative for the researcher to identify and choose a research methodology to be employed for research to achieve the intended result. Quantitative research design is the approach used in this study.

**3.1 Aim of the study**
The aim of the study is to examine the effect of transactional and transformational leadership styles on job satisfaction of the employees of uMgungundlovu District Municipality. The intended purpose of the research is to assist the local government, municipal leadership and employees of the municipality to improve the standard of living of the community surrounding the district. This can be achieved through placing the appropriate leadership to drive the vision of the National and local government.

**3.2 Objectives of the study**
The objectives of this study are:

3.2.1   To determine the relationship between job satisfaction and the transformational leadership style.
3.2.2   To determine the relationship between job satisfaction and the transactional leadership style.

**3.3   Exploration Paradigm**
A paradigm is a hypothetical and theoretical background of a scientific discipline within which philosophies, laws and broad view of the experiments are performed in support

of them are formulated. Methodology is the common beliefs and agreements shared between scientists about how problems should be understood and addressed (Creswel 2017). This study is conducted with an aid of positivism paradigm which discovers the laws that govern behaviour. Its reliability has been proven to yield similar results at different times by various researches. The validity is accurately measured to answer the research questions of what, how much relationship affects the behaviour. It is best answered with numerical accuracy (Creswel 2017).

### 3.4    Research Design
Research design is the method of gathering, measuring, evaluate responses from the questionaries' with the purpose of reaching the solution to the research problem (Sekaran and Bogie 2013). Quantitative research comprises the statistical analysis of information and its goal is to measure data and provide a comprehensive interpretation of results from a sample size chosen from the population of interest (Creswel 2003). Data is collected and used to measure reality on the ground or of what is practical in a particular situation or environment. The findings from this method can be predictive, explanatory and confirming (Sekaran and Bogie 2014).

### 3.5    Research Strategy
The quantitative research approach is a suitable method for this study, based on the exploration problem, application and the tenacity of this study.  The researcher intended to collect data that depict the attitudes, feelings and opinions of the population chosen for this study. The appropriateness of this methodology is that it seeks to gain better understanding on leadership styles, in particular the transactional and transformational styles' and the effect on job satisfaction of employees in uMgungundlovu District Municipality. The approach    used intended to gain better understanding from the workers' beliefs. Quantitative approaches uses an enormous amount of data composed and numbers are used to establish approaches that can be statistically interpreted and analysed. The quantitative methodology analyses data such as words, pictures or objects in order to gain understanding of fundamental causes and inspirations. This method is used for research problems that concentrate on discovering people's involvements, behaviour and the attainment of better consideration on occurrences

about which little is identified. This technique gathers data which are concerned with describing implication rather than with drawing statistical inferences (Sekaran and Bogie 2014). This chapter provides clarification on the procedures used for this study. Firstly it describes the approach that the study has taken towards answering the research questions. The design of the study, sampling and sampling method with rationale, primary and secondary data collection and data analysis methods are outlined.  Questionnaires are included in appendix B.

## 3.6 Study Setting: The Target Population

```
                          ┌─────────────────────────┐
                          │    Municipal Manager     │
                          └─────────────────────────┘
```

| Head of Department: Corporate | Head of Department: Community | Head of Department: Technical | Head of Department: Finance |
|---|---|---|---|
| **Corporate Managers:**<br><br>-Administration and Sound Governance<br><br>-Human Resource Management | **Community Managers:**<br>-Disaster Management<br>-Fire and Emergency<br>-Environmental Health<br>-Local Economic Development | **Technical Managers:**<br><br>-Water<br>-Sanitation<br>-Waste<br>-PMU | **Finance Managers:**<br><br>-Budgeting and Reporting<br><br>-Income Control<br><br>-Expenditure |
| Corporate Staff | Community Staff | Technical Staff | Finance Staff |

**Figure 3.1: Organisational Structure of uMgungundlovu District Municipality, adapted from uMgungundlovu Integrated Development Plan (IDP) review for 2016/2017 simplified version.**

Field General Assistants are also excluded in this study. From a larger population of employees, random sampling is used; which are senior management (Head of departments) reporting directly to the Municipal Manager, below Head of Department are senior managers which have a direct interaction with Head of departments and their immediate subordinates, ranging from middle management to officer upwards. Field General Assistants only interact at a level below that of officers, which is significantly detached from head office influence.

For this study, the population is 480. The study location is uMgungundlovu District Municipality. UMgungundlovu is one of the 11 district municipalities of the KwaZulu-Natal province. It is situated in the capital city KwaZulu-Natal, Pietermaritzburg. The majority of the 1 017 763 people in uMgungundlovu speak Zulu language (Statistics SA, 2011). uMgungundlovu District Municipality is made up of seven local municipalities as shown in Table 3.1.

| Local Municipality | Population |
|---|---|
| Msunduzi | 618536 |
| uMshwathi | 106374 |
| uMngeni | 92710 |
| Richmond | 65793 |
| Mkhambathini | 63142 |
| Mpofana | 38103 |
| Impendle | 33105 |

**Table 3.1: Composition of uMgungundlovu District Municipality**

**3.6.1 Sample Size and Sampling Strategy:**

According to Sekaran and Bogie (2013) it is unrealistic and un-economical to encompass all members of the population in the research project' given that the population that is associated with this research is huge, a least possible sample size for the study was calculated. Based on the table for establishing the sample size of a

given population of 480 objects, a minimum sample size of 214 subjects was required for 95% confidence with a 5% margin of error.

## 3.6.2 Stratified Sampling

uMgungundlovu district municipality (uMDM) is made up of Departments of Community Corporate, Financial and Technical Services. Each department is led by Head of Department reporting directly to the Municipal Manager. The number of employees vary from department to department, depending on the core function of the department. uMgungundlovu District Municipality staff establishment is 480, and stratified random sampling technique was used to select the samples where each department was considered as strata.

## 3.7    The Research Instrument

The quantitative data was collected through questionnaires'. This section presents the development of survey instrument.

### 3.7.1   Survey Instrument Design

A questionnaire was used for primary data collection. It allows rapid response for collection of information from the sample population, it saves time and enables the researcher to collect a large sample of data. Questionnaires were developed from the literature review carried out. Questionnaire is made up of 44 questions.

The research instrument had three main sections from A to C. Section A was mainly on the demographics with six questions that collected the demographic information such as population group, gender, age profile, professional rank, educational level and employment service category. Section B on the research instrument was used to collect information that would answer seventeen research questions on job satisfaction. Section C on the research instrument was used to collect information that would answer twenty one research questions on leadership. Questionnaires were modified using MLQ for leadership and MSQ for job satisfaction questionnaire as a guide in developing a set of questions for this study (Sekaran and Bogie 2013).

## 3.8    Data Collection

The quantitative research instrument was hand delivered to 214 target samples. The researcher gave a brief introduction of the background to the study and assurance was provided that the responses would be confidential and anonymous. The invitation to the survey and the consent form was also attached as part of the briefing. The survey was opened for the duration of two weeks. A total of 214 responses were accounted for survey.

## 3.9    Data Analysis

Analysis of data can be described as the logical organized practice of studying, cleaning, altering, and demonstrating data with the goal of realising valuable information, suggesting assumptions, and supporting decision –making. Quantitative data analysis is defined by Bryman (2006) as a methodical approach to a problem investigation during which numerical data is collected and the researcher transfigures responses into numerical data. The study data should be captured, cleaned and established to outline how to treat the outliers and incomplete data before hypothesis is tested (Sekaran and Bogie 2013). Questionnaires were distributed to respondents. The Likert scale was used to analyse the data collected in this study. Data was analysed through the use of SPSS package, version 21.0. The results were presented as descriptive and analytic statistics.

### 3.9.1    Analysing and Interpreting Quantitative Data

According to Bryman (2006), quantitative data analysis can be defined as a systematic approach to an investigation during which numerical data is collected and the researcher transforms the observations from the survey instrument into numerical data. Sekaran and Bougie (2013) suggests that before hypotheses testing can commence, the survey data must be captured, cleaned, scrubbed and establish how outliers and incomplete data will be treated and handled in the survey.

### 3.9.2  Validity and Reliability

Validity can be define as a test of how well an instrument that is developed measures the particular concept it is intended to measure ( Sekaran and Bougie 2013). According to Sekaran and Bougie (2013), the reliability of a measure is a sign of the solidity and reliability with which the mechanism measures the conception of legitimacy of the study.

The questionnaire designed was guided by objectives and questions of the research. After the questionnaire was designed, it was verified before it was used in a sample population to observe that it obtains the result required. This was done by piloting a questionnaire to a small group of ten employees who were not on sample population target. Comments on the questions which were confusing was corrected, including the construction and the re-phrasing of the questions which were altered accordingly. The need for using Cronbach's alpha coefficient to test the reliability of questionnaire was identified and used in this study.

### 3.10 Ethical Considerations

Ethics in research is defined as an expected collective code of conduct that regulates the behaviour of the researcher (Sekaran and Bogie 2013). Ethical conduct was given great care and importance throughout the research processes to ensure that no delinquency or destruction occurs during the study research. The consent form of all respondents and the treatment of information pertaining to respondents were kept in a private and confidential storage. Participants were ensured that no ill treatment will occur to them for participating and that all participants were not forced to participate in the study. A Gatekeeper letter was besought from uMgungundlovu District Municipality permitting researcher to undertake the study on the organisation and its employees. Ethical clearance was granted from the university's ethic committee (Ethical Clearance: HSS/1551/015M).

## 3.11 Summary

This chapter defined the research method used in this study, clarified the sample selection, defined the procedure used in designing the instrument and collecting the data, and provided an explanation of the statistical procedures used to examine the data. All supporting evidence is contained in the appendices of this dissertation.

**CHAPTER FOUR**

**RESULTS ANALYSIS**

## 4. Introduction

This chapter presents and reviews of the results derived from the questionnaires received in the survey of staff at uMDM. For the sake of simplicity the researcher had chosen to round off decimals in the statistical result. The survey was driven via a questionnaire that was physically handed over to respondents.

### 4.1 Data Analysis and Interpretation

This chapter commences with a detailed analysis of data that provides an insight into the findings of the study. They are presented in two aspects, namely the demographic profile and the results from each objective. A total number of 197 employees were surveyed at uMgungundlovu District Municipality in KwaZulu-Natal. Two hundred and fourteen questionnaires were distributed of which 197 participants responded to this survey. This represented a completion rate of 92% .The data were captured into Microsoft Excel 2003, and then exported into SPSS22 version for analysis.

Table 4.1 reflects the demographic profile of the participants. A total of 197 participants completed the questionnaire. Of the 197, 103(54%) were females, 107 (56%) were African. With regards to participants age, more than half (57%) were below the age of 35. Sixty three (33%) were senior officers and eighty seven (44%) had degree qualification. In addition, eighty two (42%) have 6-10 years working experience.

| Demographic Information | Frequency | Percentage |
|---|---|---|
| **Age** | | |
| Between 18-35 | 112 | 57 |
| Between 36-50 | 81 | 41 |
| Between 51-60 | 4 | 2 |
| **Gender** | | |
| Male | 87 | 46 |
| Female | 103 | 54 |
| **Race** | | |
| African | 107 | 56 |
| Coloured | 41 | 21 |
| White | 41 | 21 |
| Asian | 3 | 2 |
| **Rank** | | |
| Manager | 42 | 22 |
| Snr Officer | 63 | 33 |
| Officer | 48 | 25 |
| Administration | 41 | 21 |
| **Education** | | |
| Matric | 18 | 9 |
| Diploma | 80 | 41 |
| Degree | 87 | 44 |
| **Years of experience** | | |
| 0-5 | 40 | 20 |
| 6-10 | 82 | 42 |
| 11-15 | 24 | 24 |
| >15 | 14 | 14 |

**Table 4.1 Demographic profile of participants (n=197)**

### 4.1.1 Objective 1: To determine what factors contribute to job satisfaction /dissatisfaction

The data has been analysed against the objectives of this study. There were 17 statements were asked using Likert rating scale of Strongly Disagree, Disagree, Unsure, Agree and Strongly Agree. Strongly agree mean that employees are satisfied and strongly disagree meant that they are dissatisfied. The results have been presented in Table 4.2

Overall majority 128 (65%) of the participants agreed that are aware of company strategy whereas 8 (4%) are not aware of the strategy. When participants were asked if their departments receive support from management, 114 (58%) felt that that their department gets support from management.  More than half (53%) agreed that they were satisfied with their job. One hundred and nine participants (55%) indicated that their managers clearly define job responsibilities whereas 5 (2.5%) strongly disagreed with the statement. One hundred and sixteen (59%) participants indicated that they were internally satisfied with their jobs.

Nearly a quarter 49 (25%) of the participants indicated that participants are satisfied with the working condition. Seventy eight (40%) of the participants agreed that management shows professionalism in their undertaking. Eighty six (44%) of the participants agreed that they find their jobs challenging. More than a quarter 86 (44%) of the participants indicated that their manager encourages innovation. Ninety two (47%) of the participants agreed that they are allowed to make decisions regarding their jobs whilst 95 (48%) indicated that managers imposes decisions on their work. Whereas 122 (62%) agreed that the manager allows decision making on a consultative basis. More than half (57%) of the participants agreed that their jobs are challenging since they are allowed to express variety of skills.

One hundred and twenty four (63%) of the participants agreed that the autonomy exercised in decision making increases efficiency in execution of a given tasks. Seventy five (38%) of the participants agreed that their salaries are market related. Sixty eight

(35%) of the participants strongly disagree that absenteeism is the result of leadership style. Whilst 75 (38%) of the participants agreed that their company provides incentives for work well done, 34 (17%) did not agree.

| Job satisfaction | SD | D | U | A | SA |
|---|---|---|---|---|---|
| I am aware of my company's overall strategy | 8(4) | 10(5) | 17(9) | 128(65) | 34(17) |
| I feel my department gets support from top management | 7(4) | 10(5) | 27(14) | 114(58) | 37(19) |
| I am satisfied with my job | 6(3) | 22(11) | 19(10) | 104(53) | 46(24) |
| My manager clearly defines job responsibilities | 5(3) | 18(9) | 16(8) | 109(55) | 49(25) |
| I am internally  satisfied with my job | 8(4) | 13(6.6) | 21(11) | 116(59) | 39(20) |
| I am satisfied with the working conditions | 11(6) | 27(14) | 20(10) | 90(4.6) | 49(25) |
| My manager demonstrates professionalism | 7(4) | 20(10) | 16(8) | 78(40) | 76(39) |
| I find my job challenging | 7(4) | 39(20) | 19(10) | 86(44) | 46(23) |
| My manager encourages innovation | 7(4) | 24(12) | 10(5) | 86(44) | 67(34) |
| I am allowed to make decisions regarding my job. | 5(3) | 43(22) | 13(6.6) | 92(47) | 44(22) |
| My manager imposes decisions on my work | 10(5) | 45(23) | 18(9) | 95(48) | 25(13) |
| My manager allows decision making on a consultative basis | 9(5) | 26(130 | 12(6) | 122(62) | 27(14) |
| My job is more challenging since it allows me to express variety of skills | 11(6) | 28(14) | 12(6) | 112(57) | 34(17) |
| The autonomy exercised in decision making, increases efficiency in execution of a given tasks. | 11(6) | 12(6) | 22(11) | 124(63) | 75(38) |
| My salary is market related | 23(12) | 44(22) | 41(21) | 75(38) | 13(7) |
| Absenteeism rate is a result of leadership style | 68(35) | 34(17) | 34(17) | 29(15) | 32(16) |
| My company provides incentives for work well done. | 34(17) | 20(10) | 32(16) | 75(38) | 36(18) |

**Table 4.2: Distribution of statements regarding job satisfaction**

Chi-squared test was conducted to find association between job satisfactions with all demographic variables (Table 4.3). It was found that the age group was not associated with job satisfaction (p=0.949)**.** The present study found that 43% of the male and 57% of the female were satisfied with their job but the difference was not statistically significant (p=0.240). The result showed that more Africans were dissatisfied whereas Coloured and White participants were satisfied. There was a significant association found between race and job satisfaction (p=0.026). Results indicated that participants rank was not associated with job satisfaction (p=0.347). Participants' year of experience was not associated with their job satisfaction, almost equal proportions of participants were satisfied as well as dissatisfied (p=0.356).

| Variables | | Level of satisfaction | | Chi square value | P- value |
|---|---|---|---|---|---|
| | | Satisfied n (%) | Dissatisfied n (%) | | |
| Gender | Male | 53.2 | 43.4 | 1.378 | 0.240 |
| | Female | 46.8 | 56.6 | | |
| Age | 18-40yrs | 78.7 | 74.8 | 1.646 | 0.949 |
| | 41-50yrs | 56.3 | 23.4 | | |
| | 51-60yrs | | 2.7 | | |
| Race | African | 70 | 51.4 | 9.262 | 0.026 |
| | Coloured | 11 | 25 | | |
| | White | 15.2 | 23.3 | | |
| | Asian | 4.3 | 0.7 | | |
| Level of education | Matric only | 13.3 | 8.6 | 4.565 | 0.102 |
| | Diploma | 53.3 | 40 | | |
| | Degree | 53.3 | 51.4 | 3.307 | 0.347 |
| Rank | Manager | 17 | 23.1 | | |
| | Snr Officer | 36.2 | 31.3 | | |
| | Officer | 40 | 22.4 | | |
| | Administrator | 15 | 23.1 | | |
| Years of experience | 0-5 years | 40 | 20 | 3.242 | 0.356 |
| | 6-10 years | 82 | 42 | | |
| | 11-15 years | 47 | 24 | | |
| | >15 years | 28 | 14 | | |

**Table 4.3: Association between sociodemographic and job satisfaction**.

**4.1.2 Objective 2: To determine the relationship between job satisfaction and transformational leadership style.**

There were 19 questions posed to the participants to investigate transformational leadership of the company. It was found that most of the participants agreed to all the statements. For example, 85% of the participants mentioned of attempts by their manager to create a good working atmosphere in their work station, 84% reported of management recognising teams outside the municipality (services providers, partnerships and local municipalities in the district, and 79% indicated that management in the municipality review and improve the effectiveness of its own leadership. The analysis also indicate that employees have earned respect from the leadership at 78.2%, management also display good management practice (71.5%). In almost all the questions on transformational leadership style, most of the respondents said No at slightly less than 30%. It was found that 87% of the satisfied participants had good leadership quality whereas 47% non-satisfied participants had good leadership criteria. These differences were statistically different ($p<0.01$) which meant that there was a significant association between transformational leadership and job satisfaction.

| Transformational leadership questions | No | Yes |
|---|---|---|
| Does your manager create a good working atmosphere in your work station? | 15.0 | 85.0 |
| Does your manager encourage Job enlargement in the workplace | 28.1 | 71.9 |
| Does leadership attitude in your organisation influence satisfaction? | 22.8 | 77.2 |
| Does management in the municipality review and improve the effectiveness of its own leadership? | 21.2 | 78.8 |
| Does management recognise teams outside the municipality (services providers, partnerships and local municipalities in the district)? | 16.1 | 83.9 |
| Are you confident about your organization? | 24.9 | 75.1 |
| Do leaders have the skills to lead? | 24.9 | 75.1 |
| Have managers earned employees respect? | 21.8 | 78.2 |
| Does your manager show best management practice? | 28.5 | 71.5 |
| Are managers providing employees with the information they need? | 25.9 | 74.1 |
| Are policies, goals and objectives adequately communicated? | 26.9 | 73.1 |

| | | |
|---|---|---|
| Are your managers involving employees effectively in problem solving situation? | 32.6 | 67.4 |
| Are you treated fairly? | 31.6 | 68.4 |
| Are employees able to express their views? | 28.5 | 71.5 |
| Are your managers skilled to develop their employees? | 24.4 | 75.6 |
| Your organisation effectiveness rate is excellent | 29.5 | 70.5 |
| Is the team confident to its management? | 30.1 | 69.9 |
| Are your leaders seen as skilled leaders? | 22.8 | 77.2 |

**Table 4.4: Distribution of transformational leadership questions**

**4.1.3 Objective 3: To determine the relationship between job satisfaction and transactional leadership style.**

With regards to transactional leadership, there were three questions asked. It was found that 87% highlighted that the management was concern about the work done whereas 46% reported that there was low morale among the leadership. Results indicated that there was significant association exist between Transactional leadership and Job Satisfaction ($p<0.01$). It could be seen that only 51% were satisfied having good leadership compared to 81% not satisfied.

| Transactional leadership questions | No | Yes |
|---|---|---|
| Does your manager see employees as lazy | 68 | 32 |
| Can you ascribe low morale in your work place to leadership? | 54 | 46 |
| Is management concern with work done? | 13 | 87 |

**Table 4.5: Distribution of Transactional Leadership Style questions**

4.2 Summary

In this chapter the results of the study were discussed. The presentation of data has been illustrated in tabular and statistical formats. The results indicated that there is no correlation that exist between sociodemographic and job satisfaction. The majority of participants were satisfied with their jobs, work environment, leadership, salary scales, and involvement in the decision making. The optimistic response in these questions led to the conclusion that most employees view their leaders as transformational leaders. The questions relating to transactional leadership had majority of employees feeling that management is only concerned with work done and indicates that low morale is ascribed to leadership they have.

The next chapter provides the discussion of results, study limitation, further research recommendations and conclusions.

# CHAPTER FIVE
## DISCUSSION, CONCLUSION AND RECOMMENDATIONS

### 5. Introduction
In the previous chapter an analysis of data that gave an insight into the findings of the study, with numerical and representations was presented. This chapter therefore discusses analysis and findings which were extracted from questionnaires that were administered to employees at uMgungundlovu district municipality.

### 5.1 To Determine What Factors Contribute to Job Satisfaction
The results showed that job satisfaction increased with age. In this study, more than half of the participants were between 18- 35 years old. We found no association between age of the participants and job satisfaction (p=0.949). This finding is inconsistent with Bellias and Koustelios (2014), in their study they found statistical significance on age, gender and job satisfaction which were more positive among the employees in Hong Kong. However, a study conducted in Jordanian hotels found that the older the participants the more they were satisfied with their jobs (Al-Ababneh (2013).

The present study found that both male (43%) and female (57%) participants were satisfied on their jobs, however, females were more satisfied, but the difference was not statistically significant (p=0.240). This finding is consistent with Al-Ababneh (2013) and Malik (2011). A study on job satisfaction in the University of Balochistan found that male members were more dissatisfied than females (Malik 2011). Further examination by Oshagbemi (1999) on academics and their managers showed that sex dissimilarity leads to isolation and dissatisfaction for women in some situations.

There was a significant association between race and job satisfaction (p=0.026). Africans were more dissatisfied with their jobs as compared to Coloureds and whites. There is little evidence in the literature on whether job satisfaction differs according to race or ethnicity. A  National Survey of College Graduates conducted in Vanderbilt University by Hersch and Xion (2015), found that Asian and Black workers were less

satisfied with their jobs. Ying Xue (2014) found moderate differences in job satisfaction between racial and ethnic groups. Job satisfaction also vary from country to country. In the Better Life Index's 2014 survey, it was revealed that people who reside in Switzerland have the highest level of job satisfaction whilst the nations with high unemployment rates have low levels of job satisfaction.

The results indicated that the rank of the participants associated with job satisfaction (p=0.347). Jobs satisfaction differs with level of rank. In this study, senior officers, (32%) were found to be more satisfied than other ranks. This finding is congruent with the results of Oshagbeai (1997) on the influence of rank on the job satisfaction in Queens's University of Belfast; the results indicated that rank has a direct, positive and significant effect on the job satisfaction of university teachers. On the contrary, a study by Malik (2011) on job satisfaction in the University of Balochistan found that rank had no significant relationship with job satisfaction.

The level of education of the participants was not associated with job satisfaction in this study (p=0.102). This is consistent with a study by Al-Ababneh (2013), who indicated that participant's education level was not associated with job satisfaction. However, Dogus (2007) found a positive relationship between job satisfaction and education level.

Participants' years of experience was not associated with their job satisfaction, almost equal proportions of participants were satisfied as well as dissatisfied (p=0.356). Oshagbemi (2003) is in agreement with the current study, tenure was found to have a no effect with job satisfaction. In a study by Ragha (2015) evaluating job satisfaction of teachers in the Durban central area, individuals who just started working had higher levels of job satisfaction, as compared to individuals with more years of experience. Subsequently a study by Ercikti (2011) highlighted that the demographic element which made the most difference to job satisfaction was the number of years worked at an organisation. However, Al-Ababneh (2013) concluded that employees with longer tenure were more satisfied than less experienced workers.  Similarly to Sacker,

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Crossman and Chinmeteepituk (2003) study that was conducted in Thailand on the relationship of age and length of service with job satisfaction conclusion was drawn from the analysis which denoted that tenure had a relationship with job satisfaction. We can thus see that there are inconsistent conclusions reached with regard to job satisfaction and the number of years worked.

The current study indicated that employees were satisfied with the current salaries (45%) and incentive (56%) they receive for the work well done, (30%) were in agreement and comfortable with the working conditions, that company policies were in favour of employees as they scored more than (80%) in their ratings. A positive correlation between job satisfaction and hygiene was observed in this study. Based on the findings by Malik (2011) on the job satisfaction among the staff at the academic organization in Pakistan, found that faculty members had a mean satisfaction score on Policy (2.87), Salary (2.74), and Supervision (2.87), and Work conditions (2.66). A study done by Pravin and Kabir (2011), on the factors affecting employee job satisfaction of pharmaceutical sector in Dhaka, found that the level of working conditions mean score was (3.01) stated that employees were neither  happy nor unhappy with working conditions which is inconsistent with the current study that shows 25% participants were satisfied with working conditions.

**5.2 To Determine the Relationship Between Job Satisfaction and Transactional Leadership Style.**

The current study indicated that there was significant association existing between transactional leadership and Job Satisfaction (p<0.01). It could be seen that only 51% were satisfied and having good leadership compared to 81% who were not satisfied. A study conducted by Voon, Lo, Ngui and Ayob (2011), in Malaysia on the influence of leadership styles on employees' job satisfaction in the public sector organization, found that leaders who practice active and passive management are only concerned about work done to achieve organisational goals. In this study a large percentage of participants (80%) were concerned about the leadership attitude that shows the importance of work done than the human well-being in the workplace.  Transactional

leadership style qualities are said to manage work related matters for the attainment of the organisational objectives. The study by Zhou in (2012), on the factors effect of transformational and transactional leadership and organisational commitment on the employee's job satisfaction and job performance in Thai University found that the effect of transactional leadership on intrinsic and extrinsic job satisfaction were all significant at 0.000. The significant 0.000, meant that transactional leadership had positive effect on the employee's' job satisfaction, which is in agreement with the current study. Hence the study by Saleem (2014), conducted in Kuala Lumpur on the impact of leadership styles on job satisfaction and mediating role of perceived organizational politics, found that transactional leader and job satisfaction had a weak correlation of ($p < 0.01$).

**5.3 To Determine the Relationship between Job Satisfaction and Transformational Leadership Style.**
This study found that 87% of the satisfied participants had good leadership quality whereas 47% non-satisfied participants had good leadership criteria. These differences were statistically different ($p < 0.01$) which meant that there was significant association between transformational leadership and job satisfaction. In the study conducted by Soureh Arzi, Leyla Farahbod **(**2014), on the relationship of transformational and transactional leadership style with job satisfaction in Malaysia, they stated that Intellectual stimulation and individual consideration had a positive relationship with job satisfaction , this finding is consistent with the current study which indicated that employees were receiving attention and support in their work as well as their respective departments, showing a positive correlation in individual consideration and job satisfaction.

Most of the respondents in the present study had knowledge and understanding of the strategy. Further findings by Long, Yusof, Kowang and Heng (2014) on the impact of transformational leadership style on job satisfaction in government linked company in Malysia, found that amongst the characteristics of transformational leader, individualized consideration attributes are found to positively contribute to job satisfaction. Transformational leaders also help in the acceptance of organisational

change, they have the ability to influence followers to share and believe in their vision by unpacking the new organisational strategy.

The statistical mean for transformation leadership is 4.045 indicate that workers favour transformational leadership style in their organization. The implications of the findings for organisation can be elucidated from various perspectives (Risambesy *et.el.*2012). From human resource perspective, employees or followers of a leader are one of the most important assets in any organization to look after. Transformational leaders are expected to play an active role in promoting team work among the employees or followers so as to increase their job satisfaction. The employees who are satisfied with their jobs will have less probability to leave the organisation. They are the best people to be intellectually stimulated for realising organisational mission and goals.

## 5.4 Conclusion

This study has evaluated the effect of job satisfaction and leadership styles prevailing in the municipality. This study highlighted that employees are satisfied in their job. This study found that there is a significant association between race and job satisfaction. The possible underlying factor on the race findings could be the high number of African workers within the municipality, who mostly rank in lower structures on the organisational hierarchy. The research objective on the association between transformational leader and job satisfaction found that there is a significant correlation in the municipality. The objectives of the study was met. Leadership plays a vital and critical role on the improvement and sustainability of service delivery and economy. Leaders carry and are mandated with the bigger vision that must be driven and implemented by workers, so it is important to lead motivated, job satisfied followers in order to achieve the organisational objective.  This study will assist leadership of the municipality to improve on certain elements that proves negativity from the participants view point.

## 5.5 Limitations

The study was confined to uMgungundlovu district municipality which is located in Pietermaritzburg, KwaZulu-Natal province due to broad geographical area of the

district. The data collected in this study was based on the said municipality, therefore the results cannot be shared or used to understand other six local municipalities within the umbrella of the district. The district has a large number of Field and General Workers which were excluded from this study due to varying factors which poses difficulty to include them as sample population. Political leadership was excluded in this study due to the political hierarchies and their role in the administration arena. Though the political scope is said not to influence administration, the political mandate influences service delivery, therefore the political leaders and administration should have the common ground of thinking and share the same vision. Amongst other limitations of this study was the literature on transformational and transactional leadership and job satisfaction which was limited on studies conducted in various sectors.

## 5.6 Recommendations

It was evident that the most dominant leadership style practiced at uMDM is transformational leadership style. The majority of participants responded positively on job satisfaction, which is the fundamental core of work performance leading to the attainment of the organisational objectives. Although a large percentage showed that they are satisfied with working conditions, about 30% were dissatisfied. The higher the level of dissatisfaction among employees, the higher the level of absenteeism which gave (30%) on rating, agreeing that leadership is the cause root of not turning up for duty in the workplace. It is recommended that leadership pays attention to detail on how to improve working conditions to an acceptable level by all employees, as well as finding out the reasons for high rate of absenteeism.

The element of transactional leadership style are seen on the negative perception felt by employees, on that leadership view them as lazy and having low moral are ascribed to leadership at the helm of the organisation. The (87%) respondents said leadership is only concerned with work done. It is recommended that the leadership develop a strong relationship with subordinates; interpersonal skills, being workers/people

oriented and open communication are recommended in order to narrow down the feeling of dissatisfaction among workers.

## 5.7 Further Research

It is recommended that further research be conducted using both qualitative and quantitative methodology for better and more sound results on how leadership style influence job satisfaction of employees. Qualitative method can only be implored from the high ranks in the organisation's hierarchy to gain more in-depth understanding of the job satisfaction and leadership styles. It is further recommended that this similar topic be explored all local municipalities that form the district, for better reflection about the nature of leadership and employees that forms the district.

## 5.8 Summary

This study investigated the leadership style that is dominantly used in this municipality, also examining the effect of leadership on job satisfaction level of the employees. The Transformational leadership style is the most dominant, using the transformational leadership attributes such as; Individualized Consideration, Intellectual Stimulation, Idealised Influence and Inspirational Motivation.

The majority of employees rated high on most of the questions relating to the above traits of transformational leaders. These attributes also related to job satisfaction components mostly on the hygiene factors of job satisfaction such as pay, working conditions, responsibilities, affiliation, communication, incentives, autonomy in decision making and job variety.

The research objectives articulated in chapter one were achieved. Leadership and employees of the municipality are the vehicles of service delivery to the community. It is of vital importance that there is a clear and clean synergy between leaders' and subordinates' for the achievement of service delivery which is seen as the outcry of many communities surrounding the district and South Africa at large.

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**INFORMED CONSENT LETTER 3C**

**UNIVERSITY OF KWAZULU-NATAL**
**GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

Dear Respondent,

**MBA Research Project**
**Researcher**: Pretty Zinhle Hlengwa (0725737800)
Email address: Zinhle.Hlengwa@umdm.gov.za
**Supervisor**: Dr Hoque Muhammad (031 2608690)
Email address: muhammandh@ukzn.ac.za
**Research Office**: Ms Mariette Snyman (0027312608350)

I, **Pretty Zinhle Hlengwa** an MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu Natal. You are invited to participate in a research project entitled: **Transactional and transformational leadership style and its effect on the job satisfaction for employees within uMgungundlovu District Municipality**. The aim of this study is to: Investigate various styles of leadership on the effect of job satisfaction within the uMgungundlovu District Municipality.

Through your participation I hope to understand factors that contribute to job satisfaction in the workplace. The results of the questionnaires are intended to contribute to the understanding of the effect leadership styles in general and particular transactional and transformational leadership style to job satisfaction in a work place.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this questionnaires. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about **ten (10)** minutes to complete.  I hope you will take the time to complete this survey.

Sincerely

Investigator's signature_____          Date_____

**ANNEXURE 2**

<div style="border:1px solid black; text-align:center;">

**PARTICIPANTS' CONSENT FORM**

</div>

## UNIVERSITY OF KWAZULU-NATAL
## GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

**MBA Research Project**
**Researcher**: Pretty Zinhle Hlengwa (0725737800)
**Supervisor**: Dr. Hoque Muhammed (031 2608690)
**Research Office**: Ms P Ximba 031-2603587

## <u>CONSENT</u>

I……………………………………………………………………… (Full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT                                  DATE

………………………………………………………………………………………

**ANNEXURE 3**

<div style="border: 2px solid black; padding: 10px; text-align: center;">

**RESEARCH METHODOLOGY LEADERSHIP QUESTIONNAIRE**

</div>

**N.B.**: Kindly answer all questions

**Strongly Disagree (SD); Disagree (D); Unsure (U); Agree (A); Strongly Agree (SA)**

**SECTION A: PERSONAL DATA**

Please tick or mark with an X on the appropriate block.

1. My age is within the range

| | |
|---|---|
| 18---25 | ☐ |
| 26---30 | ☐ |
| 31---35 | ☐ |
| 36---40 | ☐ |
| 41---50 | ☐ |
| 51---60 | ☐ |
| Other | ☐ |

2. My gender

| | |
|---|---|
| Female | ☐ |
| Male | ☐ |

3. My race

| | |
|---|---|
| African | ☐ |
| Coloured | ☐ |
| White | ☐ |
| Asian | ☐ |

4. My rank is

| | |
|---|---|
| Manager | ☐ |
| Snr Officer | ☐ |

|                     |                  |   |
|---------------------|------------------|---|
| Officer             | ☐                |   |
| Administration      | ☐                |   |

5. My educational level is

| Matric only       | ☐ |
|-------------------|---|
| Matric plus Diploma | ☐ |
| Matric plus Degree  | ☐ |

6. My employment service ranges between

| 0-5               | ☐ |
|-------------------|---|
| 6-10              | ☐ |
| 11-15             | ☐ |
| More than 15 year | ☐ |

## SECTION B: SURVEY

**Instruction**

**N.B: Don't leave any statement unanswered**

To complete the following questionnaire, read each statement and decide what you believe is your honest opinion.

The information will be presented in the form of a 5 Likert scale. Record the answer by placing a cross on the appropriate block.

The following information provides the meaning for each abbreviation:

**Strongly disagree (SD); Disagree (D); Unsure (U); Agree (A); Strongly Agree (SA)**

|     | Questions: Job satisfaction | SD | D | U | A | SA |
|-----|------------------------------|----|---|---|---|----|
| 7.  | I am aware of my company's overall strategy |    |   |   |   |    |
| 8.  | I feel my department gets support from top management |    |   |   |   |    |

| | | | | | | |
|------|-----------------------------------------------------------------------------------------|--|--|--|--|--|
| 9. | I am satisfied with my job | | | | | |
| 10. | My manager clearly defines job responsibilities | | | | | |
| 11. | I am internally satisfied with my job | | | | | |
| 12. | I am satisfied with the working conditions | | | | | |
| 13. | My manager demonstrates professionalism | | | | | |
| 14. | I find my job challenging | | | | | |
| 15. | My manager encourages innovation | | | | | |
| 16. | I am allowed to make decisions regarding my job. | | | | | |
| 17. | My manager imposes decisions on my work | | | | | |
| 18. | My manager allows decision making on a consultative basis | | | | | |
| 19. | My job is more challenging since it allows me to express variety of skills | | | | | |
| 20. | The autonomy exercised in decision making, increases efficiency in execution of a given tasks. | | | | | |
| 21. | My salary is market related | | | | | |
| 22. | Absenteeism rate is a result of leadership style | | | | | |
| 23. | My company provides incentives for work well done. | | | | | |

**NB:** Please read the following questions and choose the most appropriate response that matches your feeling or opinion

Record the answer by placing a cross on the appropriate block.

The following information provides the meaning for each abbreviation:

**YES (Y); NO (N)**

| | **Leadership** | Yes | No |
|---|---|---|---|
| 24. | Does your manager create a good working atmosphere in your work station? | | |
| 25. | Does your manager encourage Job enlargement in the workplace? | | |
| 26. | Does your manager see employees as lazy | | |
| 27. | Can you ascribe low morale in your work place to leadership? | | |
| 28. | Is management concern with work done? | | |
| 29. | Does leadership attitude in your organization influence satisfaction? | | |
| 30. | Does management in the municipality review and improve the effectiveness of its own leadership? | | |
| 31. | Does management recognize teams outside the municipality (services providers, partnerships and local municipalities in the district)? | | |
| 32. | Are you confident about your organization? | | |
| 33. | Do leaders have the skills to lead? | | |
| 34. | Have managers earned employees respect? | | |
| 35. | Does your manager show best management practice? | | |
| 36. | Are managers providing employees with the information they need? | | |

| | | | |
|---|---|---|---|
| 37. | Are policies, goals and objectives adequately communicated? | | |
| 38. | Are your managers involving employees effectively in problem solving situation? | | |
| 39. | Are you treated fairly? | | |
| 40. | Are employees able to express their views? | | |
| 41. | Are your managers skilled to develop their employees? | | |
| 42. | Your organization effectiveness rate is excellent | | |
| 43. | Is the team confident to its management? | | |
| 44. | Are your leaders seen as skilled leaders? | | |

**ANNEXURE 4**

**EDITING CONFIRMATION LETTER**

UNISA | university of south africa

College of Graduate Studies

AMRI-UNISA

Rm 208 Vista/Robert Sobukwe Building

263 Nana Sita Street

Pretoria---0001

20 January 2016.

Dear Sir/Madam,

This is just to confirm that I edited Zinhle Hlengwa's Master of Business Administration dissertation entitled "Transactional and Transformational Leadership Style and its Effect on the Job Satisfaction for Employees within uMgungundlovu District Municipality" to be submitted to Graduate School of Business & Leadership College of Law and Management Studies, University of KwaZulu Natal.

Yours sincerely,

Dr Busani Mpofu

Snr Researcher

College of Graduate Studies

AMRI-UNISA

Rm 208 Vista/Robert Sobukwe Building

263 Nana Sita Street

Pretoria---0001

Office: 012 337 6032

# ANNEXURE 5

## CHANGE OF SUPERVISOR NOTICE

UNIVERSITY OF ™
KWAZULU-NATAL

INYUVESI
YAKWAZULU-NATALI

09 May 2017

Mrs Pretty Zinhle Hlengwa (212561961)
**Graduate School of Business & Leadership**
**Westville Campus**

Dear Mrs Hlengwa,

**Protocol reference number: HSS/1551/015M**
**Project title:** Transactional and Transformational Leadership and its effect on job satisfaction for the employees within uMgungundlovu District Municipality

**Approval Notification – Amendment Application**

This letter serves to notify you that your application and request for an amendment received on 02 June 2016 has now been approved as follows:

- Change in Supervisor

Any alterations to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form; Title of the Project, Location of the Study must be reviewed and approved through an amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for period of 3 years from the date of original issue. Thereafter Recertification must be applied for on an annual basis.

Best wishes for the successful completion of your research protocol.

Yours faithfully

.........................................................................................................
Dr Shenuka Singh (Chair)

/ms

Supervisor: Dr Muhammad Hoque
Academic Leader Research: Dr Muhammad Hoque
School Administrator: Ms Zarina Bullyraj

**ANNEXURE 6**

---

**LETTER AUTHORISING RESEARCH AT UMGUNGUNDLOVU DISTRICT MUNICIPALITY**

---

24 February 2015

The University of KwaZulu Natal
**Graduate School of Business and Leadership**
**Westville Campus**
Private Bag x 54001
**DURBAN**
4000

Dear Sir/Madam,

**RE: REQUEST TO CONDUCT RESEARCH WITHIN uMGUNGUNDLOVU DISTRICT MUNICIPALITY- ZINHLE HLENGWA**

This correspondence serves to confirm that Pretty Zinhle Hlengwa was granted permission to conduct her dissertation research on Leadership styles, particularly: The Transactional and Transformational leadership and its effect on Job satisfaction for employees within uMgungundlovu District Municipality. The research will be conducted in the following Departments:

- Finance

- Technical

- Community and

- Corporate Services

We therefore support the conduct of this research and we are looking forward to the findings of the research.

Yours in development

**MUNICIPAL MANAGER**

**Office of the Municipal Manager**
PO Box 3235, Pietermaritzburg, 3200
242 Langalibalele Street, Pietermaritzburg, 3201

Tel: 033 8976763

Fax: 033 3945512