

**THE IMPACT OF LEADERSHIP ON JOB SATISFACTION AT A SPECIFIC
BANK IN THE EASTERN CAPE.**

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By

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Declaration of Study

I, **Shaun Peter Wyngaard**, hereby truthfully declare that the work presented in this thesis is my own original work and does not, in its entirety or part, exist as someone else's work. All the sources used in this research have been presented and acknowledged with utmost integrity.

SHAUN PETER WYNGAARD

Date:

Abstract

This study aimed at investigating the relationship between leadership and employee job satisfaction in the banking sector of South Africa. The study drew from the fact that there is a growing emphasis in organisations to reduce employee turnover by keeping their employees satisfied. The ultimate performance, effectiveness and competitiveness of an organisation are directly related to an organisation's ability to keep its employees optimally productive and satisfied. Numerous research studies have been conducted on transformational, transactional and passive-avoidant leadership to determine the significance of their respective relationship with the job satisfaction of employees in different scenarios. Results show that the transformational leadership style has a significant relationship with job satisfaction; while the transactional leadership style or the passive-avoidant style are applied according to changing circumstances.

The study adopted a quantitative approach, using online questionnaires as an instrument for collecting primary data. The target population of the study was 380 bank employees, and the target sample was 218; 121 questionnaires were completed and used as the actual final sample. Questionnaires were completed from managers and employees of the selected bank, with the two population groups being investigated using different scales. SPSS was used in analysing the collected data. The findings of this research showed that the leadership styles under investigation have a direct impact on the job satisfaction of employees. Transformational leadership was found to have a significant positive relationship with job satisfaction, while the relationship between transactional leadership and job satisfaction was positive but moderate. A significant negative relationship was found between passive-avoidant leadership and job satisfaction. It is thus the responsibility of the financial institution under investigation to highlight the significant links and benefits of this leadership style to its management to ensure increased job satisfaction and lower turnover of employees in the institution. Literature explored in this study supported the close link between the different leadership styles and job satisfaction.

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May your souls rest in peace; we miss you dearly!

List of Abbreviations

Acronyms	Meaning
FRL	Full Range Leadership
MLQ	Multifactor Leadership Questionnaire
SPSS	Statistical Package of Social Sciences
MSQ	Multifactor Satisfaction Questionnaire
ANOVA	One-way Analysis Variance
HSD	Honestly Significant Difference
VPR	Vocational Psychology Research

CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 Introduction

In the past recent years, the relationship between leadership and job satisfaction has attracted attention among business practitioners and researchers globally. Swanepoel, Erasmus, & Schenk, (2009), note that there has been growing emphasis on the need to enhance job satisfaction to reduce staff turnover. South Africa has not been exception to this worldwide phenomenon, with the banking industry specifically gaining popularity in terms of being a research target by scholars (Matshabaphala, 2015).

The ability to keep employees satisfied is credited for Performance, effectiveness and overall competitiveness of the organisation (Armstrong, 2012). Across all industries in South Africa, including the banking sector, leadership that promotes employee satisfaction has benefited from productivity earned through increased employee commitment (Samaitan, 2014). The focus of this chapter is on presenting the background to the problem about how organisational leadership impacts job satisfaction at a selected bank in the Eastern Cape. Furthermore, the hypotheses, significance and objectives of the study are discussed. Before concluding the chapter, an outline or format of the study is highlighted.

1.2 Background to the Study

The political, economic and social environment in the 21st century is rapidly and drastically changing, thus requiring organisations to develop new systems that enable organisations to adjust to and thrive within such changing circumstances (Glaser, 2012). Global changes have impacted the political, economic and socio-cultural environment and e significantly influenced managerial philosophies in the business world (Chauhan, Dhar, & Pathak, 2005). Along with these adaptations and improvements came a call for businesses to look to innovative leadership and managerial philosophies to succeed and remain competitive. Succeeding in the ever-changing environment of today, new strategies must continuously be implemented in all organisations on a continuous basis (Mintzberg, 2010).

The success of any organisation depends on the cooperation between management and employees. The ability of a leader to direct followers towards the attainment of organisational objectives is critical for ensuring competitiveness. Tordera, Gonzalez-Romá, and Peiro (2008) highlighted that the achievement of organisational goals largely depends on leaders and their behaviour in an organisation. An organisation without effective leadership not be able to transform input resources into a competitive advantage (Budhwar, 2013).

A leader can influence the performance of followers through exhibiting various leadership behaviours, also recognised as leadership styles (Daft, 2005). The relationship between an organisation's leaders and followers is truly important to such organisation as leadership effectiveness is linked to organisational performance (Chemers, 2007). Obiwuru Okwu and Akpa (2011) stated that a positive relationship between a leader and the followers is an important factor that plays a significant role in enhancing or hindering the interest in and job satisfaction of the individual within the organisation. Effective leadership has been reported as having a strong impact on positive organisational outcomes such as employee satisfaction (Cantarelli, Belardinelli, & Nicola, 2016). Various authors advanced the notion that job satisfaction is an outcome of leadership (Sageer et al., 2012; Zehir, Erdogan, & Basar, 2011; and Baeza, Lao, Meneses, & Romá, 2009).

Job satisfaction is defined as an attitude that employees have about their jobs and the organisation, in which they perform their jobs (Clark, Yannis, & Peter, 2012). Job satisfaction is the employee's effective reaction to a job, based on the comparison between actual outcomes and desired outcomes (Mosadeghrad, 2003). Aziri (2011) defined job satisfaction as a positive emotional response from the assessment of a job of specific aspects of a job. Among these aspects, leaders and their leadership styles have been reported to influence the satisfaction levels of employees in an organisation (Berson & Linton, 2005). A leader extensively influences an employee's dedication and motivation (Obiwuru et al., 2011).

Organisations of all sizes attempt to keep the satisfaction levels of their employee's high. Any failure to create and retain employees' job satisfaction brings disastrous consequences for any organisation (Noe, Hollenbeck, Gerhart, & Wright, 2010). Employee commitment, productivity, and engagement decrease when employees

are dissatisfied with an organisation (Samuel & Chipunza, 2009).

Research investigating the relationship between leadership styles and job satisfaction has garnered considerable enquiry in a wide range of fields and in an equally wide range of settings (Oa & Me, 2018; Gautam & Malla, 2016; Jaroslav, 2013; Karavelioğlu, 2014). Indian researchers, Daudsilong & Suandi (2015) investigated the relationship between leadership style and Job satisfaction within the banking sector. The study revealed that transformational leadership was more effective in positively influencing job performance. Mohammad, Chowdhury, & Sanju, (2017) researched leadership styles within the Bangladesh banking sector and found that bureaucratic leadership led to more prosperous organisations. From the African continent Osuoha, (2018), conducted a comparative study on cross-cultural leadership styles between organisations in Nigeria versus those in the U.S. According to findings from the study, significant differences were found in the two leadership styles considered due to age, religious belief or educational qualifications. From the selected studies mentioned above, focus was centred on the financial sector with emphasis on banks.

In addition to the past related studies, this study focuses on the relationship between leadership styles and job satisfaction in the context of the Eastern Cape Province in South Africa. Specifically, it will concern itself with employees at a financial institution and explore the impact of leadership styles as adapted from Bass and Avolio's (1997). The full Range Leadership Development Model on employee job satisfaction, adapted from the Minnesota Satisfaction Questionnaire developed by Weiss, Dawis, England, and Lofquist (1967). environment is the social context in which this study is based. The specific leadership styles adopted in this research are transactional, transformational and passive-avoidant leadership styles. Based on reported results and documents, the purpose of this research was to study the relationship between these three leadership styles and job satisfaction among employees in a financial services environment.

1.3 Problem Statement

Numerous research studies have been conducted on leadership styles and the relationship with job satisfaction, findings in most cases differed as a result of different contexts. Siphoning down the context to banking institutions, various research studies have been conducted in developing and developed countries and variation of results have been realised. For example, a case study on selected banks of leadership styles followed in the banking industry of Bangladesh found that what drives managers to apply leadership styles is the issue of handling large amounts of finances (Mohammad, Chowdhury and Sanju, 2017). Another study in Slovakia on leadership style and productiveness in the banking sector found that directive leadership style is a mandatory style needed in banks but is dependent on the time on the position of a manager (Jaroslav, 2013). Other studies focusing on the banks of India were conducted, the common findings proved that leadership styles are mandatory to manage problems and also improving performance in the financial industry institution (Jain and Chaudhary, 2014; Gautam and Malla, 2016).

Contextualising furthermore the issue of leadership and job satisfaction in the context of countries that have a context like of this study (South Africa) which are African countries; a Kenyan study concluded that banking management should embrace more than one style to have an edge to the competitive rivals (Samaitan, 2014); furthermore, (Ikpefan and Agwu, 2015) argued that leadership in the banks now need a good combination of power, teamwork, and the appropriate style of leadership to ensure that the changing financial environmental needs are met; (Olorundare Agbana Aishat *et al.*, 2015) investigated leadership styles and job performance in the selected banks of Nigeria and results proved that transformational is the mostly used and a significant relationship exist in terms of satisfaction and job performance.

As far as South Africa is concerned, and with the way the financial institutions are upgrading with regards to technological advancements for sustainability and a having a competitive edge, a study regarding the relationship between the three common leadership styles and job satisfaction is also required. This is because some of the above previous studies outlined that leadership has effects on job satisfaction as it has an impact on performance levels. On the contrary studies in South African context are insufficient, hence this study will frame the

problem statement as follows: the study seeks to investigate significance of the relationship of transactional, transformational, and passive-avoidant leadership styles with job satisfaction of employees working at the selected bank in the Eastern Cape province of South Africa.

1.4 Research Questions

1.4.1 Literature Study Questions

- What are transformational, transactional, and passive avoidant leadership styles and the dimensions pertaining to these styles?
- What is job satisfaction and what are its attributes?
- What is the theoretical relationship between these three leadership styles and employee job satisfaction?

1.4.2 Empirical Questions

- What is the empirical significance of the relationship between leadership styles and employee job satisfaction?
- What recommendations can be made on the basis of how effective leadership may improve job satisfaction at the selected bank in the Eastern Cape?

1.5 Research Aim

The study aims to investigate the relationship between organisational leadership and employee job satisfaction to provide recommendations on how effective leadership may improve job satisfaction at the selected bank in the Eastern Cape.

1.6 Research Objectives

The study sought to achieve the following objectives;

- To investigate the significance in the relationship between leadership styles and job satisfaction among employees at the selected bank.
- To draw conclusions, highlight limitations and make recommendations in the field of business leadership.

1.7 Hypothesis

From the aim of this study of trying to realise the significance of the relationship of leaderships styles and job satisfaction at a specific bank in South Africa, the following hypothesis were formulated as the core attributes to be tested to draw conclusions from.

Hypothesis 1

H10. Transformational Leadership will not have a positive linear relationship with Job Satisfaction

H11. Transformational Leadership will have a positive linear relationship with Job Satisfaction

Hypothesis 2

H20. Transactional Leadership will not have a positive linear relationship with Job Satisfaction

H21. Transactional Leadership will have a positive linear relationship with Job Satisfaction

Hypothesis 3

H30. Passive Avoidant Leadership will not have a positive linear relationship with Job Satisfaction

H31. Passive Avoidant Leadership will have a positive linear relationship with Job Satisfaction

1.8 Significance

In today's ever changing business environment, strategic management experts have argued that leadership is now one of the resources that can be used for sustainability (Gitoho, 2015). Furthermore, (Tsolakis, 2016) argued that employees that are satisfied perform their jobs to a level that yield benefits to organisations. One of the important factor that have an impact on job satisfaction is the quality of leadership. In this regard, it is evident that leadership and job satisfaction can be considered as attributes that can ensure organisation growth and sustainability.

Studies that conducted the issue of leadership in banking sector in developed countries and other developing countries argued that due to financial crisis that are experienced in this ever changing global environment, leadership should ensure that the work environment in the financial sector satisfy the employees to sustain the organisation (Osuoha, 2012; Jaroslav, 2013; Andersen *et al.*, 2015; Ikpefan and Agwu, 2015; Makitalo, 2017). Owing to this complex magnitude, financial institutions in developing countries need to embrace the notion of ensuring that leadership always provides the most needed style of leadership to meet organisational needs through job satisfaction so that sustainability is also realised.

Hence, the importance of this study is to bring about the impact of leadership and job satisfaction in the context of South African bank. It is imperative to realise the degree of significance of the two variables (leadership styles and job satisfaction) to each other as previous studies (Jaroslav, 2013; Karavelioğlu, 2014; Gautam and Malla, 2016) postulate that knowing the relevance can aid in implementing organisational sustainability strategies using these attributes as they are part of the resource based view strategy.

1.9 Delimitations

Characteristics that set the boundaries of a research study are delimiting factors (Briggs & Coleman, 2007). Characteristics such as the study variables and area of study are some of the factors that delimit a study (Leedy & Ormrod, 2010). The study sought to investigate the impact of leadership styles on job satisfaction at a selected bank in the Eastern Cape. Therefore, leadership styles and job satisfaction were the delimiting variables of the current study. Only three leadership styles, namely transactional, transformational and passive-avoidant styles were explored. Employees at the selected bank were the delimiting population factor of the current study. The study was conducted only in the Eastern Cape Province, South Africa.

1.10 Definition of Key Terms

1.10.1 Leadership

Noe et al. (2010) defined leadership as a process of giving meaningful direction to a collective effort and causing a willing effort to achieve a purpose. Donnelly,

Ivancevich, and Gibson (2005) defined leadership as an attempt to influence the activities of followers through the communication process and toward the attainment of some goal or goals. It is a process of influencing the activities of an organised group toward goal achievement (Yukl, 2010).

1.10.2 Leadership Styles / Behaviour

A leadership behaviour or leadership style is defined as a pattern of behaviour leaders prefer to use (Burns, 2010). Leadership style is the manner and approach of providing direction, implementing plans, motivating people and achieving objectives (Donnelly et al., 2005). A leadership style is the general manner, outlook, attitude and behaviour of a leader, particularly about their colleagues and team members (Yukl, 2010).

1.10.3 Transformational Leadership

Transformational leadership is a leadership style or behaviour in which interactions between leader and follower are organised around a collective purpose in a manner so that they transform, motivate and enhance attitudes and aspirations of followers (Marshall, 2011). It is a leadership style that strives for positive transformations in followers and that achieves desired outcomes and changes in the organisation (Javeed & Farooqi, 2013).

1.10.4 Transactional Leadership

Transactional leadership is a leadership style in which leaders promote followers' compliance through both rewards and punishment (Loganathan, 2013). Barzorki et al. (2014) defined transactional leadership as leaders who influence followers primarily by using social exchanges for transactions. Transactional leadership is a leader-follower exchange-based leadership, in which the leader exchanges reward or punishment with the follower for tasks performed (Naidu & Van Der Walt, 2005).

1.10.5 Passive Avoidant Leadership

Malik (2011) defined passive-avoidant leadership as a philosophy or practice characterised by the deliberate abstention from direction or interference, especially with individual freedom of choice and action. Bass and Riggio (2008) defined passive-avoidant leadership as a leadership style that relinquishes responsibilities and avoids

making decisions. Similarly, Luthans (2005) defined passive-avoidant leadership as a leadership style, where all the rights and power to make decisions are handed over to the employee.

1.10.6 Job Satisfaction

Job satisfaction was defined as the extent to which people like or dislike their jobs (Spector, 2006). Robbins (2011) defined job satisfaction as a set of emotions that one feels about one's job. Job satisfaction has also been described as an employee's emotional response to different job-related factors resulting in finding pleasure, comfort, confidence, rewards, personal growth and various positive opportunities (Robbins & Judge, 2009; George & Jones, 2008). In the present study, job satisfaction is considered as an attitudinal concept defined as how employees feel about their leaders and the leadership styles they exhibit in the workplace. This reason surfaced due to the fact that, the study seeks to realise the impact of leadership to employees' job satisfaction.

1.11 Overview of the entire study

Chapter 1 – Introduction

A background of the present study is provided in this chapter. This chapter includes the statement of the problem, the study objectives, the study significance, and the definition of key concepts.

Chapter 2 – Literature Review

A literature review is provided in this chapter, including the theoretical foundation on which the study is anchored. Transactional, transformational and passive-avoidant leadership are the three theoretical concepts covered by the study with the aid of the Full Range Leadership Model. In addition to this, the chapter also reviews literature that examined employee job satisfaction.

Chapter 3 – Research Methodology

The chapter outlines the research methodology employed when conducting this study. The scope of the methodology, consisting of the research design, research methods, sampling techniques as well as data collection instruments and procedure,

are discussed in this chapter.

Chapter 4 – Results and Discussion

The focus of this chapter is on the analysis of the results of the research. The chapter presents the findings of the research regarding relationships between the variables.

Chapter 5 – Conclusion and Recommendations

This is the concluding chapter; it draws conclusions from the results of the study and makes recommendations based on the findings of the study. The limitations of this study are also discussed as well as solutions to overcome such limitations in the future.

1.12 Summary Chapter

In this chapter, the study background was introduced and outlined in detail. Furthermore, the statement of the problem, the significance of the study as well as the study hypotheses were clarified. The chapter also provided the research questions, objectives and the aims of the research. The following chapter will focus on reviewing related literature.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The previous chapter introduced the study and provided the background to the understanding of the phenomenon under study. This chapter's main purpose is to review the literature related to the current study. The review of literature is important to any study as it acts as a channel linking or relating study thoughts and ideas to existing literature (Ridley, 2012). The review of literature enables a researcher to identify similar work done within the area of the study (Kombo & Tromp, 2006). Through reviewing previous literature, knowledge gaps and areas for further research are identified (Ridley, 2012). With this in mind, this literature review chapter sought to review literature related to leadership styles and how they are linked to job satisfaction.

To achieve this, the content was reviewed from the existing body of knowledge through critically analysing the issues that constitute and are defined as job satisfaction and the leadership styles that exist. The literature review process was guided by the defined industry classification of financial institutions as it is the delimiting factor of this study. This chapter is sub-divided into two different sections. The Full Range Leadership theory is provided as the theoretical foundation that underpins this study. A review of the conceptual and empirical literature is also done. During this process, the study concepts were defined and the literature related to how these variables are related was reviewed.

2.2 Conceptual Literature

2.2.1 Leadership

The concept of leadership has garnered considerable research in the field of organisational psychology and various definitions have been proposed in literature (Brewster, Carey, Grobler, Holland, & Wörnich, 2008). Avolio and Gardner (2005) viewed leadership as a process of influencing individual or group activities in a given situation toward achieving a common goal. Northouse (2007) shared views similar to those of Avolio and Gardner (2005), as they defined leadership as a process through

which common goals are attained after the process of influencing a group of people to coordinate their effort toward goal achievement. Burns (2010) broadly defined leadership as an influence relationship between leaders and followers to perform in such a way that defined or set goals are attained. Leadership is the interpersonal influence that is exercised in a particular situation and directed through the communication process toward the attainment of a specified goal or goals (Luthans, 2008).

Leadership relates to social interactions between a leader and a follower, where the leaders have influence over the follower because of their position in the relationship (Northouse, 2004). Based on the definitions in literature, common themes were identified. The common identified themes were that leadership:

- Is a process;
- Is influential;
- Occurs in a group context; and
- Its purpose is to attain set goals (Northouse, 2004).

A leader is a person in a position of power; therefore, such person influences followers such as subordinates or employees toward achieving shared goals and objectives. The process involves exerting intentional influence over followers, while providing guidance, structure and facilitating activities and relationships in an organisation. Therefore, leadership entails interactions between two or more persons, where influence is exerted by the leader over followers and relationships are built such that mutual goals are met.

In an organisational setting like the financial institution under investigation, the role of a leader is assumed by managers. Managers in such organisations are identified as the leaders since they are placed in a position, where they exert power and are therefore expected to influence subordinates toward achieving the goals of a section or the department they manage. To achieve organisational goals, leaders must be able to influence others without having to command authority, controlling or coercing employees to work toward accomplishing their tasks. With this in mind, the research regards leadership as the ability of a manager to influence or inspire a team or group of employees toward achieving mutual or shared goals. The manager can adopt various leadership styles, but whichever leadership style is chosen, the leader must

be able to influence the followers in a constructive and positive manner toward achieving the ultimate goal of the organisation.

2.2.3 Leadership Styles

One theory of significance to the current study is the Full Range Leadership (FRL) Model developed by Bass and Avolio (1994). According to the Bass and Avolio Model, FRL involves a wide variety of behaviours, where particular situations determine the type of behaviour to be displayed by a leader. The idea behind a Full Range Leadership Model is that there exists a constellation of leadership styles or behaviours, which include the transformational, transactional and passive-avoidant leadership styles. The Full Range Leadership Model entails having a broad range of leadership styles or behaviours to choose from when confronted with a particular situation. A leader will have to select a leadership style or behaviour that is most conducive for a particular context.

According to Bass and Avolio (1994), the FRL model includes all the elements contained in transactional, transformational and passive avoidant leadership. According to Sharma and Jain (2013), all leaders display each of the leadership styles in the FRL model to some extent. Avolio (2010) proposed that certain situations and certain individuals call for different leadership styles to be displayed by the leader. For example, where a situation is unavoidable as situations differ, this, therefore, calls for a leader adopting the most conducive leadership style or behaviour based on the situation. This then implies that the FRL model is situational leadership.

Situational leadership has been recognised for a number of years and suggests that some behaviours are more appropriate in certain situations (Avolio, 2010). Also, some behaviours are most conducive to certain individuals and a group of individuals (Bodla & Nawaz, 2010). Gill, Flaschner, Shah, and Bhutani (2010) further indicated that certain tasks require or call for certain leadership styles to be displayed. This is what the FRL model proposes. While one leadership behaviour may be more effective than the other, there will come a situation where a leader has to use or display another leadership behaviour. The leader will then have to choose either to use a transactional leadership, transformational leadership or the passive-avoidant leadership style, based on the situation, individual or task to be completed.

Transformational leadership might be efficient for a particular situation and not for another. So the situation, individuals, and tasks to be completed determine the type of behaviour displayed by the leader (Sharma & Jain, 2013).

In summary, the FRL model proposes that different circumstances require different behaviours. A leader might make use of several leadership behaviours in one day or at the same time. The emphasis is on the blending of behaviours, which can contribute to leadership success. In relation to the current study, the ability for a leader to be flexible and adopt or display different leadership behaviours based on the respective situation, individual and task, can result in employee job satisfaction. Adopting a certain leadership behaviour or style based on the specific situation, can also result in better acceptance of the leader and the style of leadership by the followers. The leader, together with the followers, will then work toward achieving the goal or the task and in the process, increase job satisfaction of employees.

Collected previous works on leadership as well the FRL model identified transactional leadership, transformational leadership and passive- avoidant leadership as the three generic leadership styles (Rizi, 2013; Loganathan, 2013:27; Belias & Koustelios, 2014). Below is the in-depth discussion of each of the three leadership styles proposed by the FRL model.

2.2.3.1 Transformational Leadership

According to Kirkbride (2006), the transformational leadership style is focused on the individual. According to Nielsen et al. (2008:466), transformational leaders are viewed as leaders who widen and elevate the interests of their members, empower mindfulness and empower them to rise above their own interests for the advancement of the organisation to a greater good. Transformational leadership is seen as a people-oriented style of leadership, where enthusiastic connections happen between the leaders and subordinates (Mester et al., 2003:74; Nielsen et al., 2008:467). This type of behaviour is associated with the leader demonstrating some level of care for their subordinates; hence, its concrete base is in relationship building. Transformational leadership is currently considered to be the most popular leadership style used in different organisations around the globe. This type of leadership takes control of a situation by passing on a clear vision of the group's objectives, a marked passion for the work, and a capacity to make the rest of the group feel revived and

invigorated (Loganathan, 2013:27).

Transformational leadership is the benevolent style of leadership that can influence positive change among subordinates who are reporting to a specific leader utilising the style. Such leaders are by and large passionate, energetic and enthusiastic. They take action as role models, and have the ability to inspire confidence; they value creativity and autonomy and recognise individual needs (Loganathan, 2013:27). Not only are these leaders concerned and involved in the process; they are also focused on helping every member of the group to succeed as well (Cherry, 2013). Most studies and scales that have been developed indicate that transformational leadership is a reliable predictor of job satisfaction (Tischler, 2016:1; Adler & Reid, 2008:26; Loganathan, 2013:28). Hence, the transformational leadership style provides a suitable concept for studying the impact of leadership on employees' job satisfaction.

Naidu and Van Der Walt (2005:2) argued that transformational leaders are viewed as people who are willing to inspire their groups to engage on working for the good of the organisation both in the short and long run. Inspiration is shaped through awareness about results that connect and link to the organisation's vision. Ozaralli (2002:335) defined transformational leadership as a procedure, where a strong personality identification is a norm that leaders maintain. Hence, it is the duty of the leader to be able to be an influential figure for the purpose of making the subordinates to believe in them. Different studies disclosed that the transformational leadership style is a very comprehensive and effective style that enhances job satisfaction in many organisations (Ozaralli, 2002:335; Loganathan, 2013:28). To achieve job satisfaction in others, leaders are involved in managing the behaviours of employees with the aim of increasing their employees' trust. When trust is attained, it is easy to motivate employees and also make the employees feel committed and having a bond with the organisation they are serving.

Transformational leadership creates an innovative and active environment by means of effective communication, following the policies of the organisation, and also offering rewards to recognise and reward good performances.

In summary, the essence of transformational leadership is that leaders and followers develop each other. According to Leithwood (1999), there are three goals that transformational leaders aim to achieve; these goals are facilitating staff development and maintaining a collaborative, professional culture; fostering employees' development; and helping employees solve problems more effectively. All these goals are guided by the five attributes that transformational leaders follow to achieve such goals.

The five attributes that the transformational leaders follow or use to achieve the desired goals are:

- Intellectual stimulation;
- Idealised influence (attributes);
- Idealised influence (behaviour);
- Inspirational motivation; and
- Individualised consideration (Bass, 1985; Fisher, 2009; Loganathan, 2013:29; Jerimae & Sheina, 2014).

Figure 1 shows diagrammatically the five 'I's by Bass (1985). The discussion of each attribute follows.

2.2.3.1.1 Transformational leadership attributes

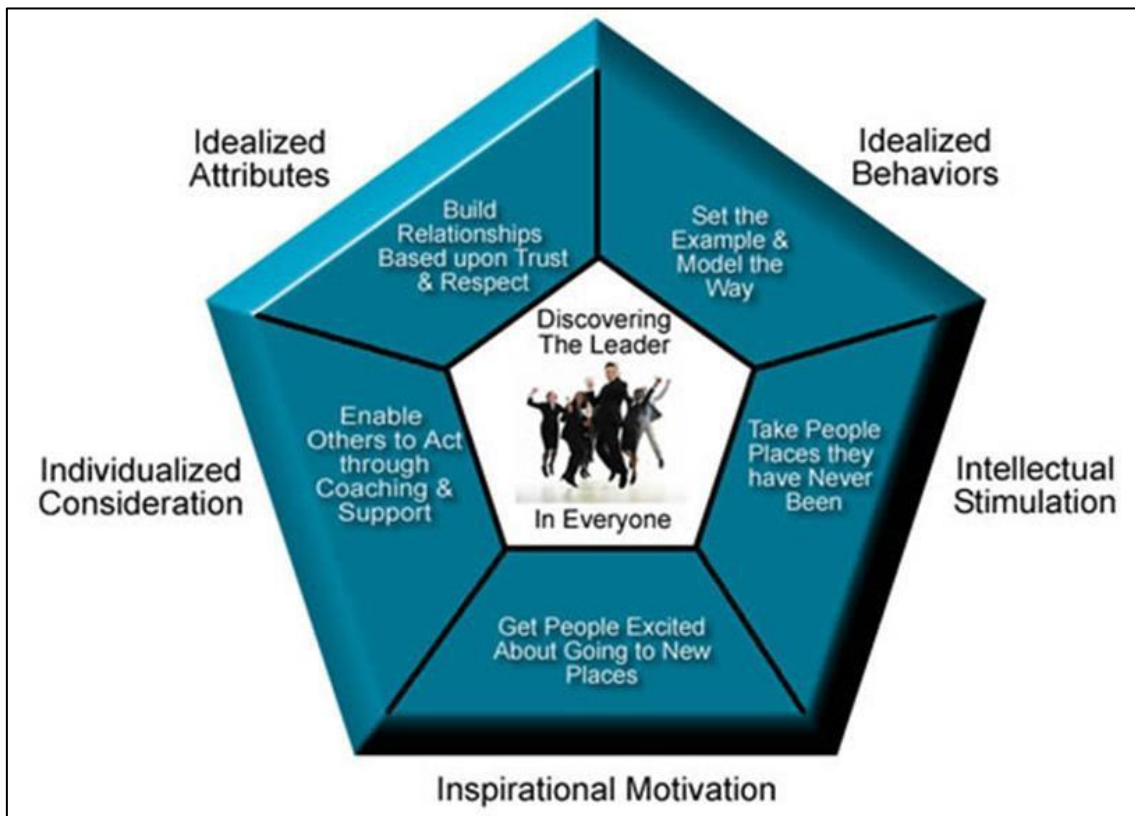


Figure 1: Transformational leadership attributes (source: Douglas & Bush, 2007:102).

2.2.3.1.1.1 Idealised influence attributes

Idealised influence (attributed) refers to the socialised charisma of the leader, whether the leader is perceived as being confident and powerful, and whether the leader is viewed as focusing on higher-order ideals and ethics (Flynn, 2009). Attributed idealised influence refers to whether the leader is seen as charismatic, powerful and confident, and whether the followers would like to be associated with him or her (Aydogdu & Asikgil, 2011). According to Riggio (2009), the idealised influence attributes maintain that leaders need to serve as leaders, as long as they lead by example. This entails that the leaders need to put into practice what they preach to their subordinates so that the subordinates will seek to emulate that which they see (Flynn, 2009:3; Loganathan, 2013:29).

2.2.3.1.1.2 Idealised influence behaviour

Idealised influence (behaviour) refers to charismatic actions of the leader that are centred on values, beliefs and a sense of mission (Flynn, 2009). Idealised influence

in terms of behaviour includes leaders talking about their most important values and beliefs, emphasising the collective mission and purpose, as well as considering the ethical implications of their decisions (Aydogdu & Asikgil, 2011). Flynn (2009) and Riggio (2009) reported that to win more commitment and trust, the leaders are said to make sacrificial moves of placing their subordinates' needs first over their own personal gains, in a demonstration of an ethical standard that many organisations write into their visions.

2.2.3.1.1.3 Individualised consideration

According to Saboe, Taing, Way, and Johnson (2015), this attribute concerns a dyadic connection between the follower and the leader and includes indicating an appreciation and looking after adherent needs. In addition to the above sentiment, Riggio (2009) argued that the leaders should in practice demonstrate genuine concern for the feelings and the needs of their subordinates. The key to attaining such a practice is by treating and attending to each subordinate differently to bring out the best of their abilities due to the fact that talents and knowledge differ (Riggio, 2009; Saboe et al., 2015). When such a stage is reached, leaders can challenge their subordinates to be creative and innovative – another attribute called intellectual stimulation, which is discussed below.

2.2.3.1.1.4 Intellectual stimulation

Riggio (2009) argued that this attribute stimulates followers to be more inventive / advanced by questioning expectations, reframing problems and devising new solutions. Leaders constantly challenge subordinates to reach higher levels of their performance, but do so in a gentle manner. In support of this notion, Barbuto (2005) maintained that leaders address convictions and assumptions of the organisation and energise adherents to be more imaginative and innovative; in this way moving toward old issues in new ways. The intellectual stimulation enhances the employees' awareness of various challenges experienced at the workplace and provides them with new perspectives of addressing these challenges (Bushra, Usman, & Naveed 2011:261-267). Leaders do not hesitate to discard old practices they had committed to if new and more effective ways are discovered by subordinates. Much of the leaders' effort is used to encourage subordinates to proactively search for new ideas

and ‘think out of the box’ during their daily activities or when facing challenges (Datche, 2015:26).

2.2.3.1.1.5 Inspirational motivation

The Management Study Guide (2014) stated that the foundation of the transformational leadership style is based on the issue of promoting a consistent mission and vision, and a set of organisational values to the members of the organisation. For this consistency to be successful, leaders should be able to motivate their subordinates. This is achieved by using this attribute and by working optimistically and enthusiastically in fostering the spirit of teamwork and commitment toward working in line with what the organisation seeks to achieve.

2.2.3.1.2 Summary of transformational leadership style

From the analysis of the above-discussed literature, transformational leaders can be regarded as people-oriented beings who put their emphasis on aligning their subordinates toward realising goals and the vision of an organisation. On the contrary this theory of leadership style has been open to critics from other researchers. The most common shortcomings that have been significant to the transformational leadership style theory are;

“the uncertain validity of those measurement criterion which underpin the Multifactor Leadership Questionnaire (MLQ) and the resultant negative implications this has in terms of the way in which Transformational Leadership theory is at root based on fundamentally flawed interpretation of how leadership indicators are measured objectively, accusations of Transformational Leadership theory being an ‘elitist’ concept, ambiguity of measurement criteria (‘idealized influence’ is looked at in some detail), shortcomings of the charismatic argument” (Yukl, 1999, p. 287; Kelman, 2012; Hutchinson and Jackson, 2013).

The main argument that was established from the critics is the issue of its ambiguity in the processes of influence and validity. According to (Hutchinson and Jackson, 2013), in specific, the associated measurement instruments to ensure its validity in different industries proved to be ambiguous. On the contrary, (Kelman, 2012) argues that the authors of the MLQ have allowed addition of other variables so that studies which seeks to test their leadership should not be deprived in what to test if providing more validity to the beliefs of transformational leadership theory. In this regard, this

study will make use of only the variables of the transformational leadership theory from the full range model because even though critics exist, several revisions were conducted to enhance the issues of reliability and validity (Allen, 2010). In support of this notion, (Antonakis and House, 2013), put forward an argument that there may be arguments that pose critics on transformational but more than 200 thesis for masters and doctoral studies realised results that shows validity. Hence, this study maintained the issue of objectivity by using the MLQ to find the impact of transformational leadership style and job satisfaction.

2.2.3.2 Transactional Leadership

Transactional leadership is a leadership style that acknowledges the authority that places emphasis on rewards after the completion of an activity (Loganathan, 2013). In other words, the transactional leaders set standards for their subordinates to enhance their performance. Naidu and Van Der Walt (2005:4) argued that a high degree of attention is set on attaining goals concurrently with a coherent reward system for an effective standard performance and penalty for the performance that is of sub-standard. Hence, guidelines, systems and measures are key to the transactional leadership style.

To make the leadership style more appealing to employees, leaders tend to agree and clarify tasks with their subordinates as a way of motivating them to avoid punishment by focusing more on rewards (Cilliers, Van Deventer, & Van Eeden, 2008). Concurring with the above sentiment, Kaur (2012:126-133) argued that the style promotes job satisfaction among employees, which in turn influences employee commitment, increases employee productivity and increases employee loyalty. Furthermore, transactional leadership is more centred on social interactions and transitions between leaders and employees to enhance job satisfaction. It manages organisations and evaluates employees' performance to ensure the organisation accomplishes current objectives in an effective manner.

According to Loganathan (2013:31), transactional leaders interpret their leader-follower affiliation as a "*quid pro quo*" agreement, whereby a shared trade-off is generally settled to by both affected parties. In other words, the relationship in the transactional leadership style is administered more by vowed treaties rather than trust. In support of this notion, Shokane, Slabbert and Stanz (2004:2) maintained that transactional

leadership demands the supervision of employees' performances and management of organisational resources in the direction of achieving objectives of the organisation in short-term phases. The transactional leader can, along these lines, be seen as a director who concentrates on day-to-day commanding abilities, adopting a traditionalist strategy to work, keeping in mind the end goal to acquire timely occasional outcomes. The leader can likewise be seen as a person who is insignificantly worried about enabling supporters to participate in individual improvement for motivations behind their self-intrigue. Thus, the transactional leader is viewed as an individual who is more undertaking than connection-oriented, who relies upon the required energy to participate in productive exchanges with supporters (Andreassen et al., 2011; Loganathan, 2013).

Loganathan (2013:32) concluded that a transactional leader could be seen as an undertaking-oriented individual who uses power to exercise order and control when demanding consistency from supporters. There are two common components a transactional leader identifies with; these are management by exception and contingent reward. Both these components are also recognised by researchers as the elements that define transactional leadership. The two attributes or components are the ones that define leaders who are focused on short-term goals and centred on contractual obligations. Transactional leaders use either one of these two attributes more often than the other attributes.

2.2.3.2.1 Management by exception

Management by exception refers to a theoretical concept that is used by leaders of the transactional leadership style by being active or passive in the way they correct their employees to achieve standard performance (Mester, Visser, & Roodt, 2003:73; Xirasagar, 2008:6). In this view, one can argue that the leadership style is aligned to the issue of performance management systems. In this case, arguments that can bring about critics to this leadership style is that if there is no relationship building, satisfaction maybe difficult to achieve. (Saudi, 2014) argued that it is inherently of importance to ensure that active engagement of leadership and co-workers can form positive attitude towards the work. The main emphasis that the variable of management by exception is on establishing standards and linking it with the MLQ, standards need to be communicated so as to ensure that employees know what they are required to do to have rewards if standards are met.

2.2.3.2.2 Contingent reward

According to Loganathan (2013:33), this component is also termed constructive transaction. Contingent reward / constructive transaction refers to the level the leaders organise the environment / followers / actions for productive transactions with employees, using clear objectives and expectations to communicate the work achievement of employees by the use of rewards (Loganathan, 2013:33). For the initiative to work, leaders acquire an agreement from their subordinates on the task that is to be achieved and the rewards that would be given to the involved subordinates. Hence, the success criteria are agreed upon by both involved parties, keeping in mind that achievement will either be rewarded for success or punished for failure. Xirasagar (2008:603) argued that to ensure that credibility is attained from the subordinates for good performance, leaders use positive reinforcement patterns to clarify the performance standards. Loganathan (2013:33) maintained that the leader proactively regulates the levels of expectations and needs of subordinates and creates recommendations to improve performance standards in an effort to provide equitable rewards upon successful accomplishment of tasks.

Rewards can be viewed as a sense of motivation but this method is temporal in nature as accordance to Maslow's hierarchy of needs. The main attribute that employees seek to reach is self-actualisation and this can be complex to reach using rewards of achievement. One of the drawbacks that researchers of management of employees using rewards is that there is a tendency of working for the reward only without seeking or being satisfied (Liu and Dong, 2012; Paile, 2012; Saleem, 2015). Hence, leaders need to use both the active management by exception and the rewards so that there is more of engagement and collaboration between leaders and subordinates which will in turn create a relationship. In summary, Mester, Visser, and Roodt (2003:73) suggested that though the leaders of transactional not aim at relationship building, they use promises, rewards and praise to motivate their subordinates to achieve performance standards agreed upon by both employee and supervisor.

2.2.3.2.2.1 Active management by exception

Active management by exception involves active monitoring of the activities that subordinates are doing, with management looking for errors and deviances from

standards. In support of this notion, Mester, Visser, and Roodt (2003:73) viewed this aspect / attribute as a pre-emptive management style that involves the leaders as having to watch closely the performance of their subordinates and take corrective action as a way of avoiding potential problems prior to their appearance. Such leader attempts to rectify unacceptable performance, while it is occurring, essentially actively seeking variances from standards and disciplining employees accordingly (Bass & Riggio, 2006). In other words, this attribute is monitoring-centric and is inclined toward the issue of rules reinforcement to attain a goal. If not achieved or a mistake being observed, the leader quickly rectifies the situation, correcting the employee who is at fault or missing the process that has been drawn to be followed on the task. Hence, the leader is liable to put emphasis on the rules to minimise problems from occurring and this is achieved by utilising undesirable reinforcement patterns (Loganathan, 2013:33). This attribute is known to be more of task-oriented than relationship-oriented.

An overview of transactional leadership indicates that this type of leadership is task oriented. A transaction is a term used to indicate an exchange; therefore, transactional leadership focuses on leadership that promises an exchange between the leader and the subordinate. This type of leadership is based on leader-follower exchange, where the follower acts according to the instructions of the leader and gets rewarded if the actions are in line with instructions. The leader exchanges reward or punishment with the follower for the tasks performed or not performed by the subordinate. Such rewards are used as a means to stimulate increased productivity, efforts and loyalty from the follower. This style of leadership puts more emphasis on correctly and timeously completing tasks or work allocated rather than on building relationships between leader and subordinates.

2.2.3.3 Passive avoidant leadership

The passive-avoidant leadership style is a type of leadership that contrasts the descriptions of transformational and transactional leadership styles (Bass, Avolio, Jung, & Berson, 2012). Passive avoidant leaders are leaders who avoid clarifying expectations or specify agreements (Bass & Avolio, 2004). They also avoid providing goals and standards that followers and subordinates have to meet (Bass et al., 2012). The passive-avoidant leaders tend to react only after problems have become so serious that they have to take corrective action and may still avoid making any

decisions at all (Bass & Avolio, 2004). The leadership style includes management-by-exception leadership and laissez-faire styles.

2.2.3.3.1 Management by exception, passive

According to Andreassen et al. (2011:511), passive management by exception is part of an inactive leadership style. Passive management by exception leadership is a leadership style, where the leader waits for a problem or errors to occur before taking appropriate but belated action (Bass & Riggio, 2006). Management-by-exception entails that leaders are more passive and reactive as they react to problems (Bennis, 2010) instead of trying to avoid them. The leadership style is displayed by managers who do not confront problematic situations analytically, and or not come up with solutions to avoid problems from occurring in future. Passive management avoids identifying resolutions or even clarifying goals to be achieved by the followers (Bass et al., 2012). According to Tavanti (2008), leaders who display a passive management-by-exception leadership style use punishment as a reaction to unacceptable performance after it has occurred. According to Loganathan (2013), the leader simply considers deviations and errors made by the subordinates, when the decision is taken that no merit is assumed for good effort or performance. These leaders focus on monitoring the execution of tasks for any problems that might arise and correcting such problems to maintain current performance levels (Bass & Avolio, 2004).

2.2.3.3.2 Laissez-faire

Laissez-faire leadership essentially means the absence of leadership (Bass & Riggio, 2006). Laissez-faire leadership is a more passive leadership style that is replicated by characteristics of being indecisive, having high levels of avoidance, and being indifferent (Loganathan, 2013; McColl-Kennedy & Anderson, 2005:116). Such a style is generally viewed as the leadership of absence, where the leader takes a “hands-off” approach that is shown by a delay in decision-making, abandoning responsibility, and giving no feedback to employees (Xirasagar, 2008:603). This type of leader lacks any motivation to achieve the best; they do not take initiatives or encourage and challenging their subordinates or listen to their needs. In other words, these leaders avoid responsibilities, and in turn, the organisation may be affected negatively. According to Loganathan (2013:35), laissez-faire leaders are also regarded as

inactive individuals who procrastinate wherever possible. Such leaders lack self-management. Jones and Rudd (2007:524) argued that laissez-faire leaders can be referred to as lethargic leaders who display no sense of motivation or urgency. The leaders lead their subordinates by making the assumption that subordinates are by nature motivated by their duties or their salaries; hence, they should be accountable to their own duties and tasks.

From the evidence above, the passive-avoidant leadership style can be regarded as a style of leadership that cannot yield better results for an organisation. On the contrary, the leadership style depends on the organisational setup. Hence it can be applied to those scenarios, where minimum supervision is highly recommended and can be used where employees work who need no or extremely little supervision in executing their duties. In essence, no real leadership exists in this case.

2.3 Job Satisfaction

The current economic environment is a huge challenge to banking and other financial institutions (Peters, Pierre, & Randma-Liiv, 2011). Job satisfaction has become an essential aspect in enhancing the performance of financial institutions such as banks to overcome the challenges faced by the challenging global economy. Job satisfaction can generally be defined as the degree to which employees are comfortable with their jobs (Mester, Visser, & Roodt, 2003:72). Individuals develop their attitudes concerning their jobs by reflecting on their behaviours, feelings and beliefs. According to Peerbhai (2005:13), high job satisfaction levels precede a positive feeling to the organisation, whereas low job satisfaction levels precede a negative feeling. Such feelings can provide an indication of employees' conduct at work such as the commitment shown in achieving organisational goals.

According to Hirschfeld (2000), job satisfaction is the extent to which people like their jobs. It is the affective or emotional reaction an employee has toward the job, which results from the comparison of the actual outcomes with the required outcomes (Wright & Bonnet, 2007). On the other hand, Dawis (2004) defined job satisfaction as a personal evaluation of conditions present in a job, or outcomes that arise as a result of having a job. Sharma and Jyoti (2006) described job satisfaction as a function of the degree to which an employee's needs are satisfied. Job satisfaction was defined by Robbins (2005) as the collection of feelings employees have toward

their jobs.

Positive feelings of employees are stimulated by the issue of needs being fulfilled. According to Phil (2009), fulfilling the needs of employees allows them to enjoy their work. In turn, employee enjoyment of work is a core motivating factor that contributes to increased job satisfaction. Emhan (2012:179-190) maintained that providing employees with stimulating and challenging jobs promotes employee job satisfaction. Job satisfaction, in turn, provides the organisation with various long-term benefits, including improvement of performance for both employees and the organisation in general, improved quality and increased employee participation in the decision-making process.

Job satisfaction among employees is among the key factors that determine the employee's tendency to continue working for a given organisation and demonstrate maximum dedication at and to work. Satisfied employees make significant contributions toward achieving organisational goals and objectives. Literature suggests that factors influencing employees' job satisfaction include achievement and recognition, salaries, autonomy, fringe benefits, working conditions, job importance, degree of aptitude, co-workers, job security, supervisory support, interpersonal relationships, genetic factors and workplace flexibility (Randeree & Chaudhry, 2012:64; Belias, Koustelios, Sdrolas, & Koutiva, 2013:18; Loganathan, 2013:9).

According to Wicker (2011), job satisfaction is a sense of pride and inner fulfilment achieved while one is doing a particular job. The attitude that can weigh upon the issue of job satisfaction results from employees' evaluation of their results achieved against their expectations. Job satisfaction has emotional, cognitive and behavioural components (Spector, 1996). The emotional component refers to feelings regarding the job, such as boredom, anxiety or excitement. The cognitive component of job satisfaction refers to beliefs regarding one's job; for example, feeling that one's job is mentally demanding and challenging. Finally, the behavioural component includes people's actions in relation to their work. These actions may include being tardy, staying late or pretending to be ill to avoid work.

Locke (1976) viewed job satisfaction as the positive emotional state that results from the appraisal of one's work or job experiences. Spector (1997:2) defined job satisfaction as "the attitudinal variable, assessing how people feel about their job or

aspects of their job”. Robbins and Judge (2009:65) defined job satisfaction as a “positive feeling about one’s job, resulting from an evaluation of its characteristics”. In the present study, job satisfaction is considered as an attitudinal concept defined as how employees feel about their leaders and the leadership styles they exhibit in the workplace.

2.3.2 Factors affecting job satisfaction

Job satisfaction had been described as a result of intrinsic or extrinsic job factors. Intrinsic job satisfaction factors include factors such as the work itself, employee recognition, advancement opportunities and feedback (Maertz & Griffeth, 2004). Extrinsic factors include factors such as leadership, supervision, pay and other fringe benefits (Hunter, 2006). These factors and how they influence job satisfaction is discussed below.

2.3.2.1 Satisfaction with the work itself

Robbins, Odendaal, and Roodt (2003) referred to work itself as the extent to which the job provides the individual with stimulating tasks, opportunities for learning and personal growth, and the chance to be responsible and accountable for results. According to Greenberg and Baron (2008), job autonomy is when a job provides its owner with the freedom and power to exercise their own authority while making a decision is the job feature of autonomy. Autonomy gives rise to feelings of responsibility and accountability. When an individual is given the authority to determine the way they will do their work, then job satisfaction is increased. The more employees are empowered to make the decisions on how to execute their tasks, the more they are satisfied with their jobs.

Recognising employees and providing regular feedback for the work they have performed is another factor that can stimulate job satisfaction (Greenberg & Baron, 2008). When employees are recognised for a task well done, it gives them the feeling the organisation is watching them and thus, they are satisfied to perform more. The same goes for providing employees with a performance appraisal or feedback. Feedback is another intrinsic factor that results in increased job satisfaction of employees (Herzberg, 1966). When employees get direct and clear information about their job performance, it is known as the feedback characteristic of the job (Hunter, 2006). Employees who receive feedback on their jobs will gain a lot

of knowledge on how to perform their work even better, thus significantly contributing to their job satisfaction.

Promotion and career advancement opportunities provide employees with opportunities for personal growth and increased responsibility (Guan, Zhou, Ye, Jiang, & Zhou, 2015). Employees' opportunities for promotion in an organisation are likely to exert an influence on their job satisfaction (Hunter, 2006). If an organisation provides its employees with promotion opportunities, employees will be more satisfied with their work as they know there is room for personal growth and self-actualisation. When employees feel that their future prospects in the organisation are good, they are satisfied (Drafke & Kossen, 2002). When employees feel that they can move up the organisational ladder to realise their self-actualisation needs, then they are satisfied. Employees do not want to be stuck in lower positions; so, if and when there are opportunities for career advancement, job satisfaction increases.

2.3.2.2 Satisfaction with supervision or leadership

The relationship that exists between a supervisor and an employee determines how an employee is satisfied in an organisation (Samuel & Chipunza, 2009). When employees do not think they are being led effectively, they find it difficult to be fulfilled at work (Leimbach, 2006). Various dimensions of supervision or leadership play a critical role in influencing employee job satisfaction (Sageet, Rafat, & Agarwal, 2012). To increase employee job satisfaction, it is always important for a supervisor or leader to understand their employees' problems and needs, considering their suggestions when making decisions, showing the necessary concern for their problems and being accepted by fellow employees (Armstrong, 2012). Positive relationships between supervisors and employees facilitate an open dialogue between employees and the employer. When a supervisor or leader treats employees with respect and allows employees to contribute to decision-making, then job satisfaction increases (Bjork, Samdal, Hansen, Torstad, & Hamilton, 2007). The style of leadership or supervision exhibited by the employer also influences job satisfaction. A democratic leadership style, which promotes the emergence of relationships that are based on trust, openness, respect and friendship, contributes to job satisfaction (Leimbach, 2006). Positive supervisory relationships promote staff cohesion and allow for individual creative thinking, thus contributing to job satisfaction (Bjork et al., 2007).

2.3.2.3 Satisfaction with pay

The financial rewards that employees receive after they render their services to the employer influence job satisfaction (Armstrong, 2012). Employees are satisfied with their salary if they feel it equates to the contribution they have made (A'yunnisa & Saptoto, 2015). When an employee feels that the monetary rewards received do not match the effort or input, dissatisfaction arises (Wech, 2002). Dissatisfaction can also arise when employees compare their salaries with the salaries of other employees in the organisation as well employees working in other organisations (Nel, Van Dyk, Haasbroek, Schultz, Sono, & Werner, 2004). Job satisfaction is enhanced when employees feel their rewards are fair and they do not feel they are being underpaid in the organisation.

2.3.2.4 Satisfaction with the relationship with co-workers

The relationship that exists between an employee and their fellow employees is also critical in determining employee satisfaction (Aamodt, 2004). Positive and conducive working environments are created, when cooperative relationships are developed among employees in an organisation (Karavardar, 2014). If an employee does not feel welcome among colleagues, this perception may lead to lower job satisfaction. For most employees, work also fills the need for social interaction. Having friendly and supportive co-workers leads to increased job satisfaction. Co-worker support at the workplace results in friendship circles that in turn result in employees being satisfied at work. Having supportive co-workers can increase employees' job satisfaction (Dotan, 2007).

2.3.3 Impact of job satisfaction in an organisation

Organisations want their employees to be satisfied with their jobs. Employee satisfaction has been associated with positive organisational outcomes such as employee performance, productivity, employee retention and increased customer satisfaction. The importance of job satisfaction in the organisation is discussed in more detail below.

2.3.3.1 Impact of job satisfaction on employee retention

High employee turnover or staff churn is a matter of concern for management as it disrupts the normal operations and continuous replacement of employees who leave

the organisation is costly and technically undesirable (Samuel & Chipunza, 2009). When employees are not satisfied with their jobs, they are consistently looking for other work opportunities (Greenberg, 2009). Various researchers have reported that job satisfaction of employees has an impact on their intentions to stay or remain in an organisation (Warsi et al., 2009; Darolia, Kumari, & Darolia, 2010). According to Warsi et al. (2009), when employees are satisfied with their jobs, then commitment and engagement increase and their intention to leave the organisation diminishes. Tella, Ayeni and Popoola (2007) also reported a positive association between job satisfaction and employee retention. When an organisation is able to satisfy its employees in their jobs, it is capable of retaining them for the long term (Chaminade, 2007). According to Tetty (2006), it is a challenge to replace competent employees; therefore, it is very important to keep staff satisfied in their jobs and avoid voluntary turnover.

2.3.3.2 Impact of job satisfaction on employee absenteeism

Absenteeism is another negative consequence of employee dissatisfaction with and in their jobs. Just like voluntary turnover, absenteeism has a negative effect on business operations. When employees are absent, particularly when this happens without them reporting ill, this affects the operations of the business (Greenberg & Baron, 2009). Research evidence suggests that job satisfaction and employee absenteeism are negatively related. Goetz, Campbell, Broge, Dörfer, Brodowski, and Szecsenyi (2012) reported that when job satisfaction increases, employee absenteeism decreases. When employees are dissatisfied with their work, they are not motivated to come to work. It is thus important to keep employees satisfied in their jobs and motivated to avoid absenteeism and possible delays or interruptions in business operations.

2.3.3.3 Impact of job satisfaction on productivity and performance

The productivity and performance of an organisation is of critical importance in this competitive world (Greenberg, 2009). To become and remain successful, an organisation should be able to produce at a level higher than its competitors. It is believed that a happy employee is a productive employee (Cossin & Caballero, 2013). Satisfied employees out-produce dissatisfied employees (Givens, 2008). Thus, when employees are happy or satisfied with their work, they are able to increase their performance and productivity. Research has indicated that job satisfaction

results in improved individual, departmental and organisational performance (Raja & Palanichamy, 2011). Productivity is also enhanced as absenteeism and turnover rates are decreased, thus operations are not disrupted. When commitment and engagement increase, employees are satisfied, in turn resulting in increased efficiency. It is thus important to keep employees satisfied as productivity and performance is enhanced by job satisfaction.

2.3.3.4 Impact of job satisfaction on quality service delivery and customer satisfaction

Job satisfaction is regarded as an important tool to assist employers as well as employees, in improving service delivery (Pantouvakis, 2010). Organisations that are committed to offering high quality products and services invest more in keeping their employees satisfied (Evan & Lindsay, 2005). For organisations to be successful and compete in this competitive world, they need to be able to satisfy their customers. When employees are dissatisfied, their performance is poor, which can result in poor quality products and services (Farooq & Khan, 2011). It will be difficult to meet customer expectations when the workforce is disgruntled. Hameed (2011) stated that employee satisfaction accelerates the employees' ability and creativity, and thus facilitates increased performance, better service delivery and customer satisfaction. Efficiency and effectiveness are enhanced when employees are satisfied. Satisfied employees are committed to organisational goals; thus, they strive to offer good quality services and satisfy their customers (Khanfar, 2011).

2.4 Relationship between leadership styles and job satisfaction

Studies indicate that leadership is a process that involves influencing employees and creating an environment that will encourage them to enhance productivity. Therefore, effective leadership and job satisfaction attributes are significant in promoting success in today's businesses. Studies have been carried out to identify how transactional leadership, transformational leadership and passive avoidant leadership influence employee job satisfaction. Yang and Chang (2008:879) argued that employees' perception toward the leadership conduct varies based on the leadership style exercised by their leaders. Several studies have revealed that the three leadership styles mentioned above have significant positive impact on employees' satisfaction in their work. The following sub-sections will provide a discussion on each leadership style's relationship with regard to job satisfaction.

2.4.1 Transformational leadership and job satisfaction

A number of studies have shown that there is a positive relationship between transformational leadership and job satisfaction (Berson & Linton, 2005; Adler & Reid, 2008; Loganathan, 2013). According to Nielsen et al. (2008:465), their study found that transformational leadership style creates a conducive environment, one of the factors that job satisfaction theories argued as a key to positive job satisfaction. These results are all created by the use of transformational leadership attributes. These attributes are briefly discussed below, each in relation to job satisfaction.

2.4.1.1 Idealised influence attribute

Perfect leaders who lead by example and provide their followers with clear communication of the goals and vision of the organisation are an idealised influence (Loganathan, 2013). Idealised influence attributes from the leader allow subordinates to have deeper insights into the values of the organisation, their relationship is strengthened, and this tends to increase job satisfaction among employees (Derue et al., 2011). Leaders who put into practice 'what they preach' and believe in are seen as an example or role model by their subordinates and these subordinates are satisfied to emulate them (Aydogdu & Asikgil, 2011). Flynn (2009) also reported that an idealised influence attribute impacts job satisfaction as a confident leader is able to influence others and subordinates would want to be associated with such a leader.

2.4.1.2 Idealised influence behaviour

Cilliers, Eden and Deventer (2008:261) put forward an assertion that clarity and unambiguous execution of roles and goal alignment are necessary for successful communication of idealised behaviours to subordinates. Job satisfaction among employees is increased when employees perceive their leader to be ethical and concerned about subordinates (Loganathan, 2013). Aydogdu and Asikgil (2011) reported that commitment and trust were increased when leaders take steps to put subordinates' needs first, above their own, which in turn results in increased job satisfaction from subordinates. Derue et al. (2011) argued that idealised influence behaviour stimulates job satisfaction when employees perceive the behaviour displayed by their supervisor to be supportive of them.

2.4.1.3 Individualised consideration

According to motivational theories, employees' needs are considered as one of the core attributes that can make employees satisfied with their jobs. In transformational leadership, individualised consideration is one of the traits used by the leaders so as to make employees satisfied at work and when accomplishing tasks. According to Loganathan (2013:35), job satisfaction is accomplished by the leaders' ability to consider the individual needs and aspirations. The role of leaders is to observe and listen their subordinates so that they will be their mentors for personal development of subordinates. In addition, this trait creates a personal relationship among members who work in a team because this trait creates an environment of belonging (Nielsen et al., 2008:467). Results from Loganathan's (2013) study showed a strong correlation between this trait and well-being of employees.

Bruch and Walter (2007:716) asserted that individualised consideration improves job satisfaction through the process of addressing individual needs, and advising and supporting the individuals in realising their potential. Therefore, it has become the mandate for leaders to use emotional intelligence when supporting individual needs of subordinates and the organisational needs.

2.4.1.4 Intellectual stimulation

Challenging employees in an encouraging manner can enhance job satisfaction. Leaders who use the intellectual stimulation trait often create an environment that seeks critical thinkers when accomplishing tasks. Intellectual stimulation challenges employees looking for perfection, but in a motivating way, which steers the environment for the purposes of feeling responsible for their own achievement. Andreassen, Hetland, Pallesen, and Notelaers (2011:508) argued that the creation of an atmospheric environment of creativity and innovation enhances employees to develop their ability in skills and hence, growth in skills results in increased job satisfaction. In support of this notion, Cilliers, Eden, and Deventer (2008:255) argued that the leaders create an environment that offers employees the spirit of being flexible and open to change because of encouraging them to approach a problem, using different methods that allow them not to use traditional ways of executing their duties. Hence, the trait of intellectual stimulation has a positive relation to job satisfaction and this is supported by results from Emery and Barker's (2007:84)

study, which found that there is a positive correlation between job satisfaction and intellectual stimulation.

2.4.1.5 Inspirational motivation

The inspirational motivation, as described in the transformational leadership style section, is the foundation of this leadership style because it is centred on the articulation of the organisational vision that is appealing to subordinates (Bass, 1985; Roos, 2005). Hence, for subordinates to have a strong sense of purpose, the leaders need to challenge them with high standards and their energy to motivate. The relationship with job satisfaction is driven by the visionary leader who is leading the group; hence, the leaders need to have the communication skills that will make their subordinates willing to invest their efforts because of the leaders' motivational acts (Bass, 1985; Roos, 2005). Leaders should inspire their subordinates to be willing to exercise their abilities, motivated by their leaders' words of wisdom.

In summary, all the traits of the transformational leadership style create a conducive environment that allows subordinates to feel motivated to execute their task; hence, job satisfaction is positively related to this leadership style.

2.4.2 Transactional leadership and job satisfaction

2.4.2.1 Contingent reward

Recognition by way of giving rewards to employees for work done is one of the motivations that can aid organisations to succeed. Emery and Barker (2007:81) argued that connecting the individual needs and the leader's expectations accompanied by rewards, enhances job satisfaction among employees. Such a philosophy is in line with the Herzberg's two-factor theory, whereby the exchange of rewards, recognition or praise makes subordinates stay motivated and satisfied at their workplace. Loganathan (2013:36) stated that the exchange of rewards, recognition and praise would motivate subordinates to perform at the highest levels of their capabilities to achieve objectives agreed upon by the leader. However, when subordinates fail to reach the agreed objectives or assume they cannot reach them, dissatisfaction arises.

2.4.2.2 Active management by exception

The way the leaders of this trait act is more a case of avoiding mistakes by using thorough inspection so that problems are not incurred. According to Loganathan (2013:37), subordinates may find it interesting to be inspected thoroughly, if they are encouraged to always aim for quality in what they will be doing in pursuit of avoiding punishment when they are found at fault. Findings from a study conducted by Andreassen et al. (2011:517) revealed that leadership that is based on actively looking for faults in subordinates poses a severe threat to the fulfilment of the issue of autonomy and recognition. In support of this argument, Loganathan (2013:38) maintained that the control measures applied by the leaders reduce the level of autonomy the employees seek and in turn, freedom is no longer viable at the workplace. Hence, excessive control behaviour makes employees feel they are being undermined and results in dissatisfaction. In conclusion, Emery and Barker (2007:84) claimed that there is a negative relationship between management with the exception of transactional leadership and job satisfaction.

2.5.3. Passive management by exception and job satisfaction

As cited in Bennis (2010), both types of behaviour within the passive avoidance leadership style have a negative impact on followers and associates. Similarly, Bass and Riggio (2006) found less effective leadership results with management by exception and laissez-faire leadership. Laissez-faire leaders enhance the empowerment of their employees to accomplish goals because of less leadership involvement, thus leading to self-development (Loganathan, 2013). In support of this argument, Cilliers, Eden, and Deventer (2008:255) stated that laissez-faire leadership allows employees to exercise self-management. Hence, the relationship that is created by laissez-faire provides employees with the chance to work unsupervised and be leaders of their own. Employees may find such situation motivating to an extent because of minimal supervision. However, Madlock (2008:65) argued that insufficient supervision can bring consequences of weak interpersonal relationships that result in employee dissatisfaction and productivity levels will be low, hence organisational growth may be hindered.

2.5 Chapter Summary

The focus of this chapter was to present the theoretical foundations and the conceptual and empirical literature that underpins this study. For this purpose, the study conducted a literature survey. The study presented the Full Range Leadership Model as the theory that underpins this study. The study explored the issue of job satisfaction and its various facets. The FRL model was also reviewed. The literature showed that the FRL Model involves a wide variety of behaviours and where particular situations determine the type of behaviour to be displayed by a leader. Conceptual literature was provided as the different study variables were discussed. Definitions of the variables and the different leadership styles or behaviours were explored in this chapter. The empirical literature provided the leadership behaviours and how they are related to the dependent variable, job satisfaction. The following chapter introduces the methodology used to conduct this study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter introduces the research approach adopted by the study to collect the primary data. This chapter provides a detailed account of how the researcher collected and analysed the data in order to answer the research objectives. The research philosophy, research design and research methods are presented in this chapter. The target population and the sampling methods and techniques used to draw participants from this target population are also highlighted in this chapter. The methods used to analyse the collected data are presented as well the ethical principles adhered to by the researcher during the data collection process.

3.2 Research Philosophy

According to Bryman and Bell (2011), a philosophy or paradigm is described as a cluster of beliefs, in which a particular logical assumption should be pursued by researchers to create knowledge. The research paradigm informing this study was the positivist philosophy. The positivism paradigm depends on quantifiable observations that lead to statistical analysis (Johnson & Gill, 2010). This study adopted a positivist philosophical approach because it sought facts or causes of social phenomena, which assessed the relationship between job satisfaction and leadership styles. This philosophy was adopted as it allows for quantitative measures and also a deeper understanding of the relationship between leadership style and job satisfaction through the quantitative data collection technique and the use of statistical analysis to analyse the obtained data.

3.3 Research Design

The research design is a master plan with a format that indicates how information will be gathered, how it will be examined, and measures that enable researchers to comprehend the need or reason for the study (Shiu et al., 2009). For the purpose of the current research, a correlational research design was adopted. A correlational research design is a quantitative research methodology used to determine whether

and to what degree, a relationship exists between two or more variables within a population or sample (Burns & Bush, 2014). This design was appropriate for this study as the research involved two variables, namely leadership styles and job satisfaction. Emphasis was on identifying if a relationship exists between the leadership styles and job satisfaction, thus justifying the adoption of the correlational research design.

3.4 Research method

Research method highlights the methodology used in terms of collecting data and how data will be analysed (Shiu et al., 2009). For the purpose of this study, the quantitative research method was adopted since the research instrument was a questionnaire, therefore making the quantitative methodology the most appropriate and suitable methodology to use. The numerical and statistical analysis was also employed to analyse the data obtained, therefore justifying the need to adopt the quantitative methodology. It allowed the researcher to gather data from a large pool of candidates.

3.5 Target Population and Sample

According to Cooper and Schindler (2014), a population is defined as the total number of objects from which an interpretation is made. Adding to the above definition, Yang and Miller (2008) defined a population as the components to be examined in terms of time as well as the boundaries of the territory.

The Eastern Cape division of the bank under observation for this study consists of 500 employees. Of these 500 employees, 380 have direct supervisors. Therefore, the target population of the study was 380 employees with supervisors. The target sample is 218. A total of 218 questionnaire licenses were secured for the research. 218 employees of the 380 eligible employees were selected, based on the following method. A list of eligible names from each of the departments (Business Banking, Private Banking, Commercial Banking and Retail Branch Banking) was generated. From each departmental list, a 60% random sample was generated (for example, Department A consisted of 20 eligible employees; from these, a list of 12

employees were randomly selected). The departmental lists were combined to form a final sample target of 218 employees. Questionnaires were sent to each of the target sample employees, using an electronic platform. An actual number of 121 questionnaires were completed and returned to the researcher.

3.6 Sampling Procedure

This study moved within the parameters of the quantitative research methodology. Therefore, a probability sampling procedure had to be adopted. According to Babbie (2010), a probability sampling procedure is when all participants or elements in a population have some opportunity or an equal chance to be included in the sample. Every member of the population had an equal chance for inclusion in this sample.

3.7 Sampling Technique

For the purpose of the current study, the simple random probability sampling technique was adopted. Simple random sampling is a completely random method of selecting subjects from a sampling frame (Zindiye, 2008). A complete list of all employees at the bank who have a direct supervisor was accessed, also known as the sampling frame. Using this sampling list, a table of random numbers was then used to determine, which participants were included in the study. The researcher had permission to use 218 questionnaires; therefore, the table of random numbers was used to obtain these participants.

3.8 Research Instruments

The research adopted the questionnaire as the research instrument. A questionnaire has the advantage of gathering data from a large sample and allows statistical analysis of data gathered. The questionnaire consisted of three different sections discussed below.

3.8.1 Section 1: Demographic and occupational information

This section sought to gather demographic and occupational characteristics of the

sample. The questionnaire included among other items, questions regarding participants' gender, age, race, educational qualifications, and tenure or work experience in the organisation.

3.8.2 Section 2: Leadership

Leadership was measured using the Bass and Avolio's (1997) Multifactor Leadership Questionnaire (MLQ). The MLQ assessed the type of leadership style that was most prevalent in the leaders of the organisation under investigation. Responses were scored using a 5-point Likert-type scale, ranging from "not at all" (0) to "frequently, if not always" (4). In the current study, the scale was found to have a significant Cronbach's alpha coefficient.

The MLQ was considered relevant for the study because it had been used by different researchers in different fields and proving valid (Yukl, 1999; Antonakis and House, 2013; Jerimae and Sheina, 2014; Salter and Harris, 2014). Furthermore, in the financial sectors, the MLQ was used and results proved to be similar though the context were not similar (Jaroslav, 2013; Jain and Chaudhary, 2014; Melih, 2014; Tsolakis, 2016; Makitalo, 2017; Mohammad, Chowdhury and Sanju, 2017). As mentioned in the problem statement section in chapter 1, limited work has been observed by the researcher in the South African context, hence the study opted to use the same instrument that has been widely utilised by other academics.

3.8.3 Section 3: Job Satisfaction

Job satisfaction was assessed using a 20-item short version of the Minnesota Satisfaction Questionnaire refer to annexure 4 with the link to the instrument. Responses were scored using a 5-point Likert-type scale ranging from "very dissatisfied" (1) to "very satisfied" (5). The higher the total score, the higher the participants' job satisfaction level (Akdol, Sebnem, and Arikboga, 2015). In the current study, the scale was found to have a significant alpha coefficient.

The reason for opting to use this instrument is because, it has also been widely used in different context of industries and similar results were found (Thompson, 2002; Loganathan, 2013; Akdol, Sebnem, and Arikboga, 2015; Gitoho, 2015). Though it has not been used more in the financial sector, the relevance comes into play when considering what attributes makes employees to consider themselves satisfied by the work they do. It is of importance to consider attributes such as relationship with co-workers which is linked by the instrument MSQ, see annexure 4 for sample.

3.9 Data Collection

The study used questionnaires with close-ended questions. The questionnaire was distributed via email to the employees in retail, personal and business banking across the Eastern Cape Province. The study was quantitative; therefore, a random sample had to be adopted, giving every member in the targeted population an equal chance for selection. The cost of administering the questionnaire to the whole population motivated the researcher to send the questionnaire to a sample of participants. The link in the email redirected the participants to a one-page online survey sheet. The process for completing the questionnaire was scheduled to take place after office hours so that the completion of the questionnaires had no impact on employee's daily activities.

3.10 Data Analysis

Kothari (2004) defined the process of bringing order, structure and meaning to a mass of collected data as data analysis. The study adopted a quantitative research methodology; therefore, statistical methods were used to analyse the set of data obtained from the research participants. The Statistical Package of Social Sciences (SPSS) was used to analyse the data in this study. Before the data were analysed, they were first coded in Microsoft Excel.

Descriptive and inferential statistics were used to analyse the data. The descriptive analysis aimed at providing a summary of the basic results that explained the characteristics of the sample. The descriptive analysis aimed at describing the characteristics of the population. Means, standard deviations, frequencies and tables were used to describe the characteristics of the sample gathered from occupational and demographic questions in section 1 of the questionnaire utilised in this study. Burns and Bush (2014) argued that inference analysis is utilised, when a study seeks to confirm characteristics of the population by generalising the outcomes of a sample to the entire population. Quinlan (2011) argued that the analysis enables the researcher to recommend and conclude beyond the sample and population of the study.

Levene's test for homogeneity of variance was used to compare the means between male and female levels regarding job satisfaction against biographical differences.

ANOVA Tukeys'-D Post Hoc Tests were used to examine the mean differences of ordinal categorical demographic variables on job satisfaction. A Pearson product-moment correlation (r) was used to identify the relationships between the study variables. The Pearson product-moment correlation was also used to examine significance probabilities of the relations between the study variables. Simple Linear Regression Model Fit was used to analyse and summarise the relationship between the quantitative variables. The Durbin-Watson Test for auto-correlation was used to test the assumption of homoscedasticity and normality of residuals special plots (Q-Q plots). A stepwise multiple linear regression analysis was used to ascertain, which leadership style was the best predictor of overall job satisfaction.

3.10.1 Validity

Validity is the degree to which results obtained from the analysis of the data accurately represent the phenomena under the study (Shafeek, 2009). Validation is used to ensure the quality and consistency of primary data (Yin, 2009). This phase was critical as it provided the elimination point of irrelevant and inaccurate data when measuring research variables (Wiid & Diggines, 2013). Validation can be viewed as the process of defining the degree to which the primary data collection process was successfully conducted and if it collected the necessary data (Shafeek, 2009). This study utilised Bass and Avolio's (1997) Multifactor Leadership Questionnaire (MLQ) and the Minnesota Satisfaction Questionnaire that had been used before by other researchers. In addition to the well-known questionnaires, the study used an online survey tool that only accepted completed questionnaires and summarised them to ensure that validity was successful.

3.10.2 Reliability

Bryman and Bell (2011:731) stated that reliability test confirms the degree to which a measure of perception is stable. Reliability analysis was used to test the internal consistency for each construct to ensure that there is a high degree of generalisation possible across all items within the test (Kent, 2007). For the purpose of this study, reliability was tested by computing Cronbach's Alpha coefficient. The Cronbach's Alpha coefficient of the instrument used in the current study was computed and the results reported in Chapter 4.

3.11 Ethical considerations

The researcher sought to obtain the data for this study from employees who are referred to as the participants of this study. They are the sources of data. It was the researcher's obligation to respect the rights and dignity of these participants while obtaining information from them. In an attempt to protect the rights of these participants, various ethical principles were adhered to while collecting data from the participants.

3.11.1 Permission to conduct the study

Permission to conduct this study was obtained from the selected Bank authorities and the ethical clearance certificate No. 2017_03_50 Wyngaard was obtained from the Rhodes Business School Internal Committee (See Annexure 1). An approval letter was obtained from the Bank representatives, allowing the researcher to gather data from the employees in the Bank (See Annexure 2).

3.11.2 Permission to use research instruments

The study adopted licensed research instruments; therefore, permission to use these had to be sought by the researcher. The study utilised the Multifactor Leadership Questionnaire (MLQ) and the Minnesota Satisfaction Questionnaire (MSQ). The researcher obtained a license from Mind Garden Inc. to use and issue 218 of their standardised Multifactor Leadership Questionnaires (See Annexure 3). Permission was also sought and obtained to use the Minnesota Satisfaction Questionnaire and as of July 2016, all Vocational Psychology Research (VPR) instruments, including the Minnesota Satisfaction Questionnaires, were accessible under a Creative Commons Attribution-Non-Commercial 4.0 International License. This license permitted all questionnaires to be utilised for research or clinical work free of charge and without written consent (See Annexure 4). The questionnaires adopted were only used for research purposes.

3.11.3 Informed consent and voluntary participation

It was the ethical responsibility of the researcher to provide research participants with all the relevant information about this study. A covering letter and consent forms were used to provide participants with all the relevant information about the study. The covering letter and the consent form provided the employees with the purpose, aims and the benefits of the study as well as the methods to be used to obtain

information in this study. The provision of such information enabled the participants to make an informed decision on whether to participate in the study or not. No participant was forced or coerced to participate in this study. In line with the voluntary participation ethical principle, participants were also notified of their right to withdraw from participating in the study whenever they felt like withdrawing, at any time and for any reason.

3.11.4 Preservation of confidentiality of data and anonymity of the participants

It was the ethical responsibility of the researcher to ensure the privacy of the research participants was not breached. To ensure confidentiality of information obtained from the participants and anonymity of the participants, no other person had access to the information obtained from the participants, and anonymity codes and symbols were used to identify the departments and participants. No names were used as a means of identifying the research participants. The use of codes and symbols ensured that the research participants remained anonymous throughout the whole study.

3.12 Chapter Summary

This chapter presented the methodology associated with this study. The study adopted a positivist paradigm. Opting for a positivist philosophical paradigm entailed that the quantitative method was followed. The targeted population consisted of all employees at the selected bank in the Eastern Cape Province who had a direct supervisor. A sample was drawn for feasibility because of time and resources constraints. The research utilised the Multifactor Leadership Questionnaire (MLQ) and the Minnesota Satisfaction Questionnaire (MSQ) as the data collection instruments. Data analysis was also discussed in the chapter, with the main sections of analysis composed of descriptive and inferential analysis techniques employed to make meaning of the gathered data. The last section of this chapter discussed the ethical considerations that guided the researcher while conducting this study. The following chapter, Chapter 4, presents the research findings and interpretations based on the guidelines provided by this chapter.

CHAPTER 4: RESULTS AND DISCUSSION

4.1 Introduction

The previous chapter entailed the discussion of the research methods employed by the researcher to collect the relevant data. This chapter explains and presents the overall findings of this research. The researcher used descriptive statistics, including graphical tables, pie charts and bar charts to aid the presentation of the analysed data and clarify the results. The results of the study are also presented in relation to the research objectives. This chapter begins with the presentation of the response rate, followed by the demographic and occupational distribution linking that information with the issues in question. The presentation of the analysis of how the independent variables are related to the dependent variable concludes this chapter.

SPSS version 23 was used for analysis and all tests were carried out at the 5% level of significance. Descriptive statistics were used to describe the sample's main demographic features. An independent-sample t-test was used to test for equality of means for the theoretical constructs on gender. A one-way ANOVA (Analysis of Variance) with post hoc Tukey HSD (Honestly Significant Difference) test was opted for comparing mean differences of ordinal categorical demographic variables on the theoretical constructs. A correlation analysis, using the Pearson product-moment correlation coefficients (r), was used to identify correlates of the study's major variables. Three linear regression models were then examined to see the effects of the hypothesised frameworks. Assumptions dealing with outliers, independent errors, random normal distribution of errors, homoscedasticity and auto-correlation were met, suggesting a robust sample. Post Hoc analysis, using the stepwise multiple linear regression model, were used to identify the variables that contribute more to explaining the variation on the dependent variables.

4.2 Response rate

In a study of this nature, a response rate refers to the number of participants who answered the survey, divided by the number of people in the sample (Yin, 2009). The target sample was 218 and 121 questionnaires were completed and returned to

the researcher. This, therefore, means about half of the participants included in the sample completed the questionnaire, indicating a 55.5% response rate.

4.3 Internal Consistency

Table 1: Reliability Analysis

Variable/s	Valid N	Items Used	Cronbach's α
Transformational Leadership	114	20	0.954**
1) IM	116	4	0.877**
2) IIa	120	4	0.832**
3) IIb	117	4	0.783**
4) IS	118	4	0.834**
5) IC	118	4	0.822**
Transactional Leadership	115	8	0.577**
6) CR	119	4	0.736**
7) AMbE	116	4	0.751**
Passive Avoidant Leadership	117	8	0.794**
8) MbEP	119	4	0.571**
9) Laissez-Faire	117	4	0.768**
Leadership Outcomes			
10) EEF	119	3	0.806**
11) EFF	117	4	0.894**
12) SAT	120	2	0.923**
Job Satisfaction	113	20	0.941**

**Significantly acceptable reliability, *Notes*. IM = Inspirational Motivation; IIa = Idealised Influence attributed; IIb = Idealised Influence behaviour; IS = Intellectual Stimulation; IC = Individualised Consideration; CR = Contingent Reward; AMbE = Active Management by Exception; MbEP = Management by Exception Passive; LF = Laissez-Faire; EEF = Extra Effort; EFF = Effectiveness; SAT = Satisfaction

Table 1 above shows the reliability of each scale as it relates to the variables measured. Fenghua, Haibei, and Le (2013) conceded that a Cronbach's α coefficient can be less than 0.6, but should be greater than 0.5. The Cronbach's Alpha for the scales ranges from 0.571 to 0.954, which shows high-reliability coefficients for the study variables and their constructs.

4.4 Demographic profile of the participants

A descriptive approach was used to describe the demographic variables of the study (see Table 2 below).

Table 2: Descriptive Statistics for Biographical Variables

Variable	Levels	df	f	Valid %
Gender	Male	1	37	30.6
	Female		84	69.4
Race	Black	3	46	38.3
	White		34	28.3
	Coloured		31	25.8
	Indian		9	7.5
Age	25 – 34 years	3	31	25.6
	35 – 44 years		51	42.1
	45 – 54 years		26	21.5
	55 – 64 years		13	10.7
Level of Education	Matric	4	55	45.8
	Post-Matric Certificate		6	5.0
	Diploma		28	23.3
	Bachelor’s Degree		25	20.8
	Postgraduate		6	5.0
Tenure	1 – 3 years	3	13	10.7
	4 – 6 years		12	9.9
	7 – 9 years		16	13.2
	>10 years		80	66.1

N=121

The next section is a graphical presentation and description of the descriptive statistics of the biographical information.

4.4.1 Gender Distribution

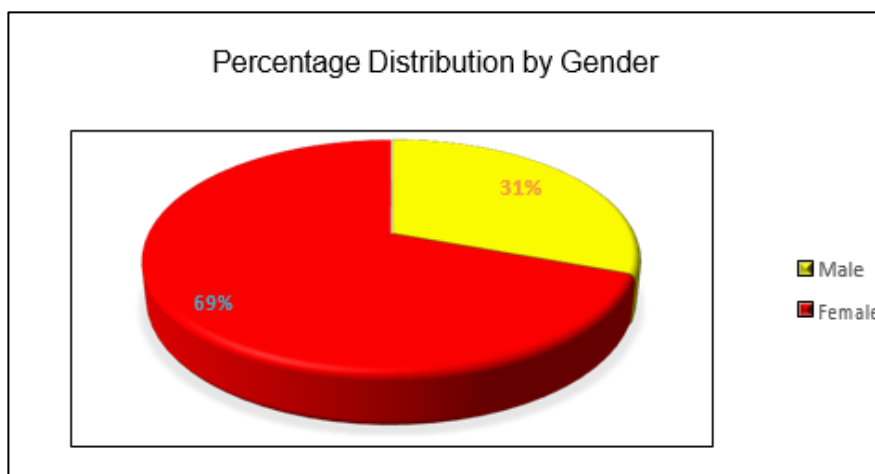


Figure 2: Gender distributions of participants

Figure 2 depicts the gender distribution of participants. The majority of the participants (69.4%, n = 84) are female employees, while male employees comprise 30.6% of the participants (n = 37).

4.4.2 Age Distribution

Figure 3 below shows that most of the participants (42.1%, n = 51) are in the age group 35-44 years, while 25.6% (n=31) are in the age group 25-34 years. Twenty-six participants (21.5%) fall in the age category 45-54 years and only thirteen participants (10.7%) fall in the age category of 55-64 years of age.

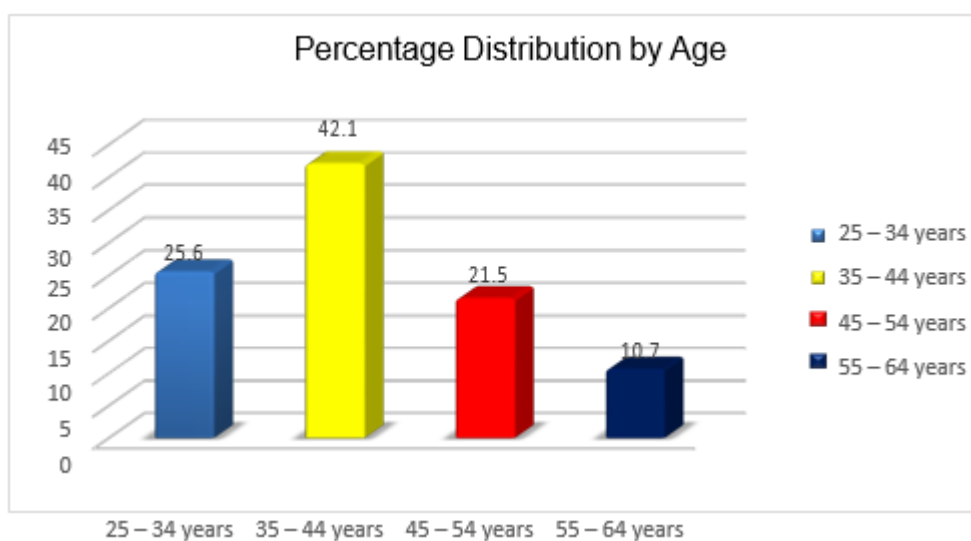


Figure 3: Age distributions of participants

4.4.3 Race Distribution

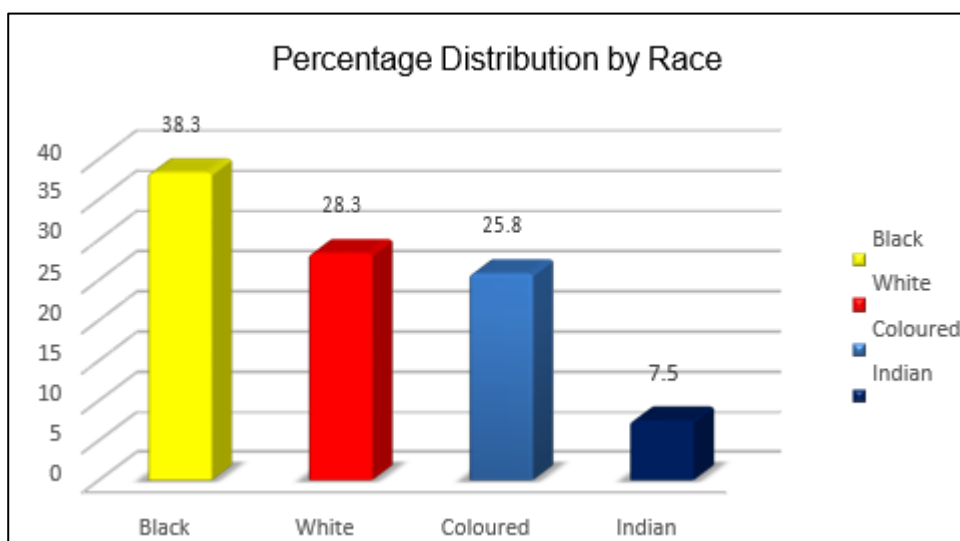


Figure 4: Race distributions of participants

In terms of race, 38.3% of the participants are Black (n = 46), 25.8% Coloured, 28.3% are White, while only 7.5% (n = 9) are Indian.

4.4.4 Level of Education Distribution

The information presented in Figure 5 below shows that the majority of the participants (45.8%, n = 55) have a matric certificate as their highest educational qualification. A small number (5%) report to have a post-matric qualification, 23.3% have a diploma, 20.8% have a Bachelor's degree and only 5% (n = 6) have a postgraduate qualification.

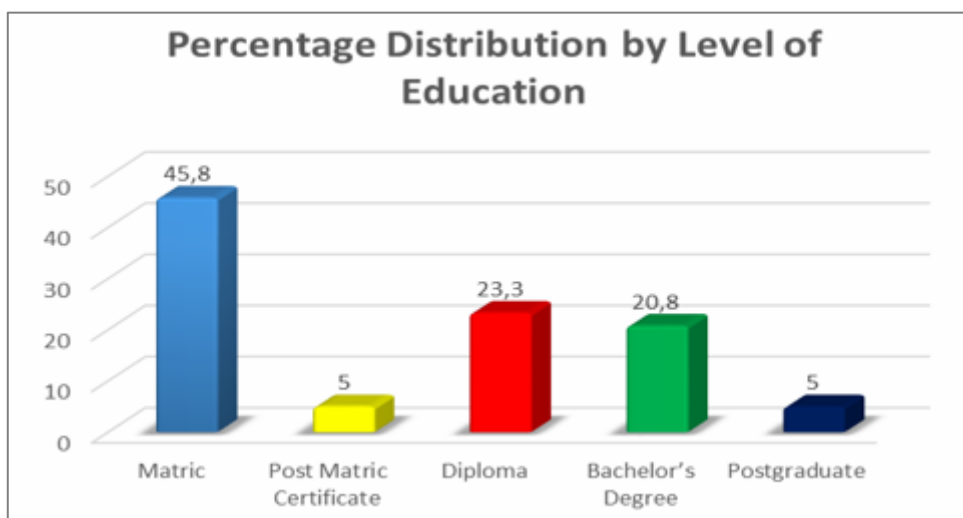


Figure 5: Level of education distribution of participants

4.5 Tenure Distribution

Figure 6 below classifies the participants by their work experience in the organisation. The figure shows that most of the participants have more than ten years of work experience, which represents 66.1% (n = 80) of the participants' sample. 16 (13.2%) employees fall within the tenure bracket of between 7 and 9 years, 13 (10.7%) within the bracket of 1-3 years, while 12 (9.9%) have between 4-6 years of work experience within the organisation.

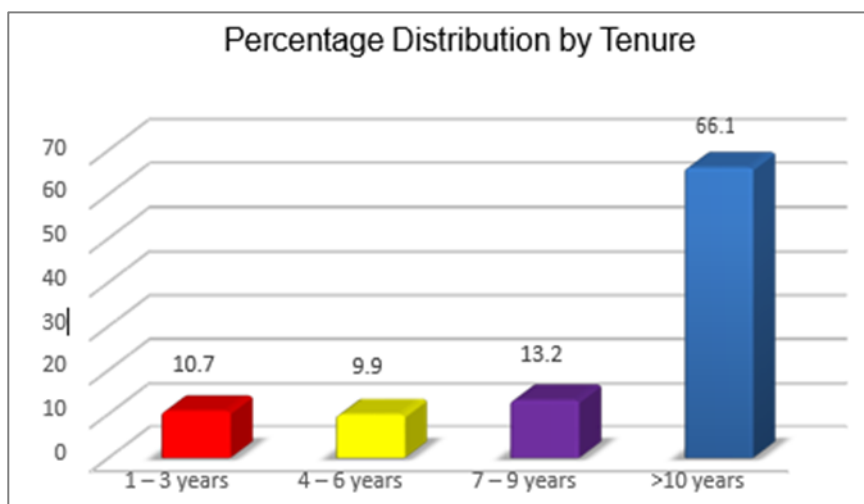


Figure 6: Tenure distributions of participants

The section below presents the descriptive statistics of the study's theoretical variables.

4.5 Descriptive Statistics of Study Variables

Tables 3 below shows the mean levels of the theoretical variables for Transformational Leadership (mean=2.6675; SD=0.89983); Transactional Leadership (mean=2.5957; SD=0.63118) and Passive Avoidant Leadership (mean=1.1720; SD=0.80571). For all leadership samples, statements were rated on a 5-point scale from 0 (Not at all) to 4 (Frequently, if not always). As for Job Satisfaction, a 5-point scale from 1 (Very Dissatisfied) to 5 (Very Satisfied) was used. Transformational leadership and transactional leadership are rated all fairly high for the study sample, while Passive Avoidant reports a low mean level.

Table 3: Descriptive Statistics of Study Variables

Study Variable	N	Min	Max	Mean	SD
Transformational Leadership	114	0.25	4.00	2.6675	0.89983
1) IM	116	0.25	4.00	2.8966	1.00546
2) IIa	120	0.00	4.00	2.7125	1.05801
3) IIb	117	0.50	4.00	2.7885	0.89154
4) IS	118	0.00	4.00	2.4534	1.00795
5) IC	118	0.00	4.00	2.4534	1.06966
Transactional Leadership	115	1.50	4.00	2.5957	0.63118
6) CR	119	0.50	4.00	2.8950	0.86938
7) AMbE	116	0.00	4.00	2.2866	1.01470
Passive Avoidant Leadership	117	0.00	3.75	1.1720	0.80571
8) MbEP	119	0.00	4.00	1.2857	0.85388

Study Variable	N	Min	Max	Mean	SD
9) Laissez-Faire	117	0.00	4.00	1.0449	0.94036
Leadership Outcomes					
10) EEF	119	0.00	4.00	2.7143	1.05702
11) EFF	117	0.00	4.00	2.7329	1.09452
12) SAT	120	0.00	4.00	2.6125	1.26102
Job Satisfaction	113	1.50	5.00	3.6894	0.70778

N=121, IM = Inspirational Motivation; IIa = Idealised Influence attributed; IIb = Idealised Influence behaviour; IS = Intellectual Stimulation; IC = Individualised Consideration; CR = Contingent Reward; AMbE = Active Management by Exception; MbEP = Management by Exception Passive; EEF = Extra Effort; EFF = Effectiveness; SAT = Satisfaction

4.6 Demographic Differences on Job satisfaction

In this study, it was important to test for biographical differences regarding job satisfaction within the sample. An analysis, comparing the means between male and female levels of job satisfaction, using an independent-samples test, was carried out. Levene's test for homogeneity of variance was used. It verifies that the assumption of equal variances does not hold, hence sample variances are assumed not to be equal ($p < 0.05$). The results in Table 4 reveal no significant differences ($t = -1.868$; $Pr > |t| = 0.067$) in means between males (mean = 3.4875; SD = 0.85510) and females (mean = 3.7838; SD = 0.61089). However, both males and females are generally highly satisfied with their jobs at the Bank.

Table 4: Independent-Samples t-Tests for Equality of Means of Job Satisfaction by Gender

Variable	Mean	SD	Mean Difference	Std. Error Difference	df	t	Sig
Job Satisfaction:							
Male	3.4875	0.85510	-0.29627	0.15861	52.324	-1.868	0.067
Female	3.7838	0.61089					

Total number of males = 37 and of females = 84 for all comparisons. *Significant differences with equal variances assumed (2-Tailed); **Significant differences with equal variances not assumed (2-Tailed)

Table 5: ANOVA, Tukeys'-D Post Hoc Tests for the Mean Differences of Ordinal Categorical Demographic Variables on Job Satisfaction

Variable	N	Job Satisfaction			
		Mean ^{Tukey HSD}	df	Anova-F	(Sig)
Age:			3	3.710	0.014**
25 – 34 years	28	3.4464 ¹			
35 – 44 years	49	3.6122 ^{1,2}			
45 – 54 years	26	3.9442 ^{1,2}			
55 – 64 years	10	4.0850 ²			
Race:			3	1.122	0.344
Black	41	3.5329 ¹			
White	33	3.7435 ¹			
Coloured	31	3.8000 ¹			
Indian	7	3.8571 ¹			
Level of Education:			4	1.640	0.169
Matric	51	3.6971 ¹			
Post-Matric	6	3.0917 ¹			
Diploma	26	3.7115 ¹			
Bachelor's Degree	24	3.6937 ¹			
Postgraduate	6	4.1083 ¹			
Tenure:			3	2.453	0.067
1 – 3 years	12	3.4000 ¹			
4 – 6 years	12	3.3750 ¹			
7 – 9 years	13	3.5462 ¹			
>10 years	76	3.8092 ¹			

Mean^{HSD} implies mean and a Tukey post hoc test for the ordinal categorical variable on the respective theoretical construct, showing the grouping of the variable, where **(1)** and **(2)** represent statistically different groups. **Anova-F (Sig)** implies ANOVA analysis and shows, whether there is a statistically significant difference between the group means

Table 5 above shows results of a One-way ANOVA with post hoc Tukey HSD test for comparing mean differences of the ordinal categorical demographic variables (age, race, level of education and tenure). From the results, statistically significant differences only exist on age (F = 3.710; p = 0.014). The post hoc Tukey test shows that younger employees (25-34 years) have lower levels of job satisfaction than older employees (55-64 years). Race, level of education and tenure do not show any significant difference in the mean levels of job satisfaction.

4.7 Correlation Analysis

Table 6 below shows the Pearson product-moment correlations (r) and significance probabilities for relations of the main theoretical constructs of the study. These results suggest that job satisfaction has significant relationships with all the study's theoretical variables and their respective constructs. Transformational leadership has a high positive significant correlation with job satisfaction ($r = 0.777$; $p = <0.0001$). Transactional leadership has a moderate significant positive correlation ($r = 0.345$; $p = <0.0001$) with job satisfaction. However, Passive-Avoidant leadership has a moderate but negative significant correlation ($r = -0.502$; $p = <0.0001$) with job satisfaction.

Table 6: Pearson product-moment correlations (r) and significance probabilities (P) for relations of Job Satisfaction to theoretical constructs

Theoretical Constructs	r	p
Transformational Leadership	0.777	<0.0001**
1) IM	0.732	<0.0001**
2) IIa	0.713	<0.0001**
3) IIb	0.713	<0.0001**
4) IS	0.692	<0.0001**
5) IC	0.663	<0.0001**
Transactional Leadership	0.345	<0.0001**
6) CR	0.691	<0.0001**
7) AMbE	-0.184	0.027*
Passive Avoidant Leadership	-0.502	<0.0001**
8) MbEP	-0.385	<0.0001**
9) Laissez-Faire	-0.512	<0.0001**
Leadership Outcomes		
10) EEF	0.699	<0.0001**
11) EFF	0.774	<0.0001**
12) SAT	0.739	<0.0001**

** Correlation is remarkable when the significant level is 0.01 (One-tailed test)

* Correlation is remarkable when the significant level is 0.05 (One-tailed test)

4.8 Hypothesis Testing Using Simple Linear Regression Models

From the three hypothesised frameworks, the correlational analysis of the results shows that there exist statistically significant correlations between the leadership variables and job satisfaction. It is also imperative to use simple linear regression models to test these hypothesised frameworks. For evaluating these models, the

enter method was utilised. Durbin-Watson Test for auto-correlation was used; and to test the assumption of homoscedasticity and normality of residuals special plots (Q- Q plots) were used. Results of the simple linear regression models are presented below.

Hypothesis 1

H1₀. Transformational Leadership will not have a positive linear relationship with Job Satisfaction

H1₁. Transformational Leadership will have a positive linear relationship with Job Satisfaction

Table 7: Simple Linear Regression Model Fit and Summary for Transformational leadership and Job Satisfaction

Source	df	Sum of Squares	Mean Square	F Value	Pr>F
Regression	1	33.270	33.270	166.474	<0.0001*
Residual	109	21.784	0.200		
Total	110	55.054			

<i>Model Summary</i>	
Observations	121
R (Est. Standard Error)	0.777(0.44705)
R ² (Adjusted R ²)	0.604(0.601)
F Change (Sig. F Change)	166.474(<0.0001)
Durbin-Watson Test - Test for auto-correlation	2.059

* Significant fit. Note: Independent variables: Constant, Transformational leadership; Dependent variable: Job Satisfaction

To determine whether there exists a statistically significant positive linear relationship/ effect of transformational leadership on job satisfaction, a simple linear regression model was examined. Transformational leadership was modelled as an explanatory / independent variable and this results in a significant model (F = 166.474; p =<0.0001). The model fit and model summary statistics are presented in Table 7 above. In this model, transformational leadership explains a significant amount of the variance in job satisfaction (R² = 0.604, R² Adjusted = 0.601). The Durbin-Watson d = 2.059, is between the two critical values of 1.5 < d < 2.5 and therefore, one can assume that there is no first order linear auto-correlation in the linear regression data.

Table 8 below shows that the parameter estimates of the resultant model are all statistically significant ($\beta_0 = 2.074$; t = 15.652; p = <0.0001 and $\beta_1 = 0.608$; t = 12.902; p = <0.0001). Since the β_1 coefficient is positive, there is sufficient evidence

at 5% level of significance to reject the null hypothesis and conclude that transformational leadership has a statistically significant positive linear relationship / effect on job satisfaction. The resultant model is:

$$\text{Job Satisfaction} = 2.074 + 0.608 * \text{Transformational leadership} + \text{residual} \square$$

Table 8: Parameter Estimates for the Transformational Leadership and Job Satisfaction Model

Parameter	Unstandardized		Standardised	t	Sig
	Coefficients		Coefficients		
	B	Std Error	B		
Constant	2.074	0.133		15.652	0.000*
Transformational leadership	0.608	0.047	0.777	12.902	0.000*

* Significant effect. Note: Independent variables: Constant, Transformational Leadership; Dependent variable: Job Satisfaction

Hypothesis 2

H2₀. Transactional Leadership will not have a positive linear relationship with Job Satisfaction.

H2₁. Transactional Leadership will have a positive linear relationship with Job Satisfaction.

Transactional leadership was modelled as an independent variable on job satisfaction in order to determine if there exists any statistically significant positive linear relationship / effect between the two variables. Table 9 below shows the simple linear regression model summary and overall fit statistics. The adjusted R² of this model is 0.111, which means that the linear regression explains 11.1% of the variance in the data. The resultant model reveals a highly significant fit (F = 14.752; p = <0.0001). The test for auto-correlation shows that there is no first order linear auto-correlation in the data (d = 1.871).

Table 9: Simple Linear Regression Model Fit and Summary for Transactional Leadership and Job Satisfaction

Source	df	Sum of Squares	Mean Square	F Value	Pr>F
Regression	1	6.599	6.599	14.752	<0.0001*
Residual	109	48.760	0.447		
Total	110	55.359			

<i>Model Summary</i>	
Observations	121
R (Est. Standard Error)	0.345(0.66883)
R ² (Adjusted R ²)	0.119(0.111)
F Change (Sig. F Change)	14.752(<0.0001)
Durbin-Watson Test - Test for auto-correlation	1.871

* Significant fit. Note: Independent variables: Constant, Transactional Leadership;
Dependent variable: Job Satisfaction

The parameter estimates in Table 10 below reveals that Transactional Leadership has a statistically significant positive linear relationship / effect on Job Satisfaction ($\beta_1 = 0.392$; $t = 3.841$; $p = <0.0001$). Thus, at the 5% level of significance, the researcher rejects the null hypothesis in favour of the alternative and concludes that Transactional Leadership has a statistically significant positive linear relationship / effect on Job Satisfaction. The resultant simple regression model is:

$$\text{Job Satisfaction} = 2.669 + 0.392 * \text{Transactional leadership} + \text{residual} \square$$

Table 10: Parameter Estimates for the Transactional Leadership and Job Satisfaction model

Parameter	Unstandardised		Standardised	t	Sig
	Coefficients		Coefficients		
	B	Std Error	B		
Constant	2.669	0.271		9.834	0.000*
Transactional Leadership	0.392	0.102	0.345	3.841	0.000*

* Significant effect. Note: Independent variables: Constant, Transactional Leadership;
Dependent variable: Job Satisfaction

Hypothesis 3

H3₀. Passive Avoidant Leadership will not have a positive linear relationship with Job Satisfaction.

H3₁. Passive Avoidant Leadership will have a positive linear relationship with Job Satisfaction.

To determine whether there is a statistically significant linear relationship / effect between Passive Avoidant Leadership and Job Satisfaction, a simple linear regression model was examined. The model fit statistics in Table 11 below show that the resultant model is highly significant ($F = 37.131$; $p = <0.0001$). Also in the same table is the model summary statistic, which reveals that Passive Avoidant Leadership explains 24.6% of the variation in Job Satisfaction ($R^2 = 0.252$; Adjusted $R^2 = 0.246$). The researcher assumes that there is no auto-correlation in the linear regression data since the Durbin-Watson Test gives a statistic that is between the two critical values of $1.5 < d < 2.5$ ($d = 1.983$).

Table 11: Simple Linear Regression Model Fit and Summary for Passive Avoidant Leadership and Job Satisfaction

Source	df	Sum of Squares	Mean Square	F Value	Pr>F
Regression	1	14.159	14.159	37.131	<0.0001*
Residual	110	41.947	0.381		
Total	111	56.106			

<i>Model Summary</i>	
Observations	121
R (Est. Standard Error)	0.502(0.61752)
R^2 (Adjusted R^2)	0.252(0.246)
F Change (Sig. F Change)	37.131(<0.0001)
Durbin-Watson Test - Test for auto-correlation	1.983

* Significant fit. Note: Independent variables: Constant, Passive Avoidant Leadership; Dependent variable: Job Satisfaction

Parameter estimates show that both the constant term and Passive Avoidant Leadership have a statistically significant effect on Job Satisfaction. The regression coefficients are $\beta_0 = 4.095$ ($p = <0.0001$) and $\beta_1 = -0.385$ ($p = <0.0001$), respectively. This relationship, however, is not in the hypothesised direction, a case of unexpected results. The null hypothesis is therefore accepted rather than the alternative hypothesis. Thus, the resultant regression equation is:

$$\text{Job Satisfaction} = 4.215 - 0.444 * \text{Passive avoidant} + \text{residual} \square$$

Table 12: Parameter Estimates for the Passive Avoidant Leadership and Job Satisfaction model

Parameter	Unstandardised		Standardised	t	Sig
	Coefficients		Coefficients		
	B	Std Error	B		
Constant	4.215	0.104		40.497	0.000*
Passive avoidant	-0.444	0.073	-0.502	-6.094	0.000*

* Significant effect. Note: Independent variables: constant, Passive Avoidant Leadership; Dependent variable: Job Satisfaction

Post Hoc Analysis using the stepwise multiple linear regression model

In order to identify the predictor variable/s (leadership styles) that add unique variance in predicting job satisfaction, a stepwise multiple linear regression model was used and only yielded one significant model. Table 13 on the next page shows that the significant model is the one with Transformational Leadership as a predictor variable on Job Satisfaction ($F = 166.198$; $df = 1$; $p = <0.0001$). The standardised β coefficients in Table 4.15 shows that Transformational Leadership has a significant positive effect on Job Satisfaction ($\beta_1 = 0.607$; $t = 12.892$; $p = <0.0001$). Multicollinearity is non-existent in this linear regression model as tolerance is > 0.1 (and $VIF < 10$) for the significant variable (Transformational Leadership). Durbin-Watson Test for auto-correlation ($d = 2.159$) is between the two critical values of $1.5 < d < 2.5$ and therefore there is no first order linear auto-correlation in the multiple linear regression data. The resulting model yields;

Table 13: Stepwise Multiple Linear Regression Model Fit and Summary for Leadership Styles on Job Satisfaction

Source	df	Sum of Squares	Mean Square	F Value	Pr>F
Regression	1	33.041	33.041	166.198	<0.0001*
Residual	107	21.272	0.199		
Total	108	54.313			

Model Summary	
R (Est. Standard Error)	0.780(0.44588)
R ² (Adjusted R ²)	0.608(0.605)
F Change (Sig. F Change)	166.198(<0.0001)
Durbin-Watson Test - Test for auto-correlation	2.159

*Significant fit. Note: Independent variables: Constant, Transformational, Transactional, and Passive Avoidant; Dependent variable: Job Satisfaction

Table 14: Parameter Estimates for the Leadership Styles on Job Satisfaction model

Parameter	Unstandardised		Standardised	t	Sig
	Coefficients		Coefficients		
	B	Std Error	B		
Constant	2.073	0.132		15.677	0.000*
Transformational	0.607	0.047	0.780	12.892	0.000*

* Significant fit. Note: Independent variables: Constant, Transformational, Transactional and Passive Avoidant; Dependent variable: Job Satisfaction

$$\text{Job Satisfaction} = 2.073 + 0.607 * \text{Transformational Leadership} + \text{residual} (\square)$$

Transactional leadership and Passive Avoidant Leadership are all non-significant and are excluded from the model (see Table 15 below).

Table 15: Excluded Variables

Model	Beta In	T	Sig	Partial Correlation	Collinearity Statistics		
					Tolerance	VIF	Minimum Tolerance
Transactional	-0.085	-1.166	0.246	-0.112	0.692	1.445	0.692
Passive avoidant	-0.043	-0.553	0.581	-0.054	0.611	1.636	0.611

Note; Dependent Variable: Job Satisfaction

Predictors in the Model: (Constant), Transformational, Transactional and Passive Avoidant

4.9 Chapter Summary

The purpose of this chapter was to present the data analysis and interpretation of the captured information from a sample of 121 participants who returned the survey questionnaire. Descriptive statistics in the form of tables, figures, means and standard deviations were used to interpret the findings of the study. Correlational and simple linear regressions were used to interpret the findings of the study that were statistically computed through the SPSS software. Based on the correlational findings presented above Transformational Leadership has a high positive significant correlation with Job Satisfaction, whereas Transactional Leadership has a moderate

significant positive correlation with Job Satisfaction. Passive Avoidant Leadership has a moderate but negative significant correlation with Job Satisfaction. Based on the simple linear regression analysis, Transformational Leadership has a statistically significant positive linear relationship or effect on Job Satisfaction, whereas Passive-Avoidant Leadership has a significant negative linear relationship or effect on Job Satisfaction. Transactional Leadership has a statistically significant positive linear relationship or effect on Job Satisfaction. A stepwise multiple linear regression model was used and reports that Transformational Leadership as a predictor variable on Job Satisfaction has a significant positive effect. The following chapter focuses on discussing the findings in relation to previous studies and makes conclusions and recommendations of the study and future studies.

CHAPTER 5: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter presented the analysis of the data that were obtained from participants using the research instrument. The current chapter discusses the main findings of the results from the descriptive and inferential statistical analysis. The discussion of the main findings is done in line with literature that was reviewed and outlined in Chapter 2. The main findings are also discussed in line with the research objectives and hypotheses that were outlined in Chapter 1. With special reference to the discussion of the study findings, the chapter also focuses on providing the study conclusions, study limitations, recommendations and to provide guidance for future related research.

5.2 Discussion of the Results

This study approves the association between the Transformational Leadership style and Job Satisfaction. From the correlational data analysis, the data indicated a significant positive relationship between Transformational Leadership and Job Satisfaction among employees at the selected Bank ($r = 0.777$; $p = <0.0001$). Transformational leadership showed that when a supervisor displays transformational leadership behaviour or style, employees in the organisation have a high level of job satisfaction. Transformational leadership comprised of elements, which included idealised influence, individual consideration and inspirational motivation. The study findings indicated that the more the supervisors empower their subordinates and create relationships where employees are inspired and encouraged to be creative and have autonomy over their work, the more satisfied employees are with their job.

This is supported by various researchers who reported exhibiting a Transformational Leadership style increases Job Satisfaction among employees (Berson & Linton, 2005; Adler & Reid, 2008; Loganathan, 2013). Nielsen et al. (2008) argued that the environment that is created when a supervisor displays transformational leadership results in increased satisfaction among employees. Similarly, Bass and Riggio (2008) reported that transformational leaders create working environments that are conducive to increasing job satisfaction and motivation. A study by Webb (2009),

involving employees in the education sector, the transformational leadership style was found to be an important predictor of job satisfaction. High job satisfaction levels resulted in high productivity, performance and increased employee retention (Armstrong, 2012).

This might indicate that leaders in the organisation are proactive and promote creativity among employees to achieve organisational objectives. Promoting change, communicating change, empowering and seeking the cooperation of subordinates to achieve set objectives will generate satisfaction among employees. A leader who is innovative and creative inspires and motivates employees, thus increasing job satisfaction.

The positive association between Transformational Leadership and Job Satisfaction at the selected Bank may suggest that the leaders in the organisation challenge their employees to take ownership and control of their work. The leaders in the organisation take time to understand the strengths and weaknesses of their employees; they facilitate teamwork and cooperation toward the achievement of individuals, the group and organisational objectives. By challenging employees to take control over their work, they will directly influence their job satisfaction, thus reflect the positive association as indicated by the study results. This was supported by Northouse (2010), who reported that transformational leaders are proactive and strive to change an organisational culture through implementing new ideas that challenge and increase employee job satisfaction. Such leaders transform and inspire employees to believe in themselves, and in the process, transform employees' attitudes, thus facilitating job satisfaction. When employees in the banking sector realise that the supervisors or leaders trust and believe in them, job satisfaction increases.

The empirical study also indicated that there is a significant relationship between Transactional Leadership and Job Satisfaction. The relationship between these two variables, however, is reported to be moderate ($r = 0.345$; $p = <0.0001$). The study findings indicate that when supervisors at the selected Bank display Transactional Leadership, then Job Satisfaction increases. The results of the study indicate that when employees in the organisation are rewarded for the services they provide, then their job satisfaction increases. In other research findings, a positive and moderate

association was also found between job satisfaction of registered staff nurses and nurse managers who practise transactional leadership. For example, Javed, Jaffari and Rahim (2014) reported that there is a positive relationship between the Transactional Leadership style and Job Satisfaction. As long as employees are satisfied with the rewards they are offered, there is likely to be increased job satisfaction. The more the Bank's employees are satisfied with the transactional relationship that exists between them and the organisation, then job satisfaction increases at a moderate level.

Based on published literature, the Transactional Leadership style is a transaction-related relationship between a supervisor and the subordinates (Daft, 2010). A transactional leader is one who seeks to increase employee satisfaction through the use of rewards. Employees are either rewarded for satisfactory performance or punished for unsatisfactory performance. Monetary rewards, complimentary remarks, praise and recognition are offered in exchange by the supervisor when employees perform and achieve organisational objectives (Riaz & Haider, 2010). The results of the study at the selected Bank indicated that this type of leadership has a moderate positive relationship with job satisfaction. The use of monetary rewards to satisfy employees may be an outdated technique to improve job satisfaction considerably. Monetary rewards are extrinsic motivators, which were reported to contribute lower levels of job satisfaction as compared to intrinsic rewards. This might explain why the positive association between Transactional Leadership and Job Satisfaction is moderate at the selected Bank.

It is also important to note that transactional leaders are not creative or innovative when compared to the transformational leaders. Such a leader does not foster change and works on already established goals, set of rules and standards. Employees are expected to adhere to the set work procedures and controls set by the supervisor. This environment is not conducive for significantly increased job satisfaction as employees are limited from exhibiting or reaching their full potential. They are confined to an established set of rules and policies, which prohibit innovation and creativity. However, the use of complimentary remarks, praise and recognition from the supervisor offered to employees when they perform well can counter the negative effects of having an environment that limits employees' creativity and innovation. This might explain why the relationship between

Transactional leadership and job satisfaction at the selected Bank is positive but only moderately so.

A significant negative relationship between the Passive Avoidant Leadership style and Job Satisfaction was also reported in the current study. The study results indicated that the Passive Avoidant Leadership had a moderate but negative significant correlation ($r = -0.512$; $p = <0.0001$) with Job Satisfaction. The passive avoidant leadership variable comprises of two constructs, the Management By exception (MbEP) and the Laissez-Faire management style. Based on the correlation results shown in Table 6 of chapter four, the Laissez-Faire style contributes more to the negative relationship with Job Satisfaction. Another constituent element of Passive Avoidant leadership is MbEP, which allows employees to be managed by standards set by the leader. This type of management style was again found to negatively affect the level of job satisfaction for employees working for the selected bank.

The above results support the hypothesis that there is an association between the Passive Avoidant Leadership style and Job Satisfaction. The other leadership styles indicated that they led to increased job satisfaction. However, this was not the case with the Passive Avoidant Leadership style as the results indicated that when a supervisor displays this leadership style, Job Satisfaction among employees at the selected Bank decreases.

A study conducted by Madlock (2008) validated the results of the current study. This study was within the context of leadership style, communication competence together with Job Satisfaction. According to Madlock (2008), inadequate supervision as in the case of Passive Avoidant Leadership results in weaker interpersonal relationships that lead to low job satisfaction. The study differed from the current study in that it factored in the element of communication. A meta-analysis study by Derue, Nahrgang, Wellman, and Humphrey (2011) showed that the Passive Avoidant Leadership style was negatively related to Job Satisfaction. Similarly, Erkutlu (2008) also reported that the Passive Avoidant Leadership style was negatively correlated with Job Satisfaction. Another study, also examining the relationship between passive-avoidant leadership and job satisfaction, reported that a negative association between these two variables exists (Berson & Linton, 2005). The study was however in the psychology context.

The characteristics of a passive-avoidant leader directly contribute to the negative association between the passive-avoidant leadership style and job satisfaction. According to Northouse (2010), a passive-avoidant leader relinquishes responsibility to employees, provides no feedback. The passive-avoidant leader also delays making decisions and shows no concern or interest in helping subordinates satisfy their own personal needs (Northouse, 2010). This explains why a negative association exists between the Passive Avoidant Leadership style and Job Satisfaction. Providing feedback is an intrinsic motivator that has been reported to predict increased job satisfaction. The fact that passive-avoidant leaders show no concern over their followers' interests or personal needs directly dissatisfies employees. Supervisors and leaders need to show concern and support toward their employees' personal interests and well-being, if they want them to follow them, be successful and remain loyal to the organisation.

Supervisory support is essential and critical in obtaining the cooperation of subordinates in an organisation. Lack of concern exhibited toward employees will directly result in dissatisfaction, thus explaining why a negative association exists between the passive avoidance leadership style and job satisfaction. As indicated above, the leaders who display this leadership style lack the ability to make decisions and, therefore, they delay the decision-making process. Subordinates want a leader who is able to make decisions as well as involving them in making decisions. When the followers realise that their leader is unable to make decisions and delays the decision-making process, dissatisfaction is likely to increase.

5.3 Conclusions

The research objective of this study was to investigate the relationship between various leadership styles and job satisfaction among employees at the selected Bank in the Eastern Cape Province. The general aim of the study was to investigate the relationship between organisational leadership styles and employee job satisfaction in order to provide recommendations on how the Bank's leadership may improve job satisfaction at the selected Bank in the Eastern Cape. The empirical study established that the independent variables, the leadership styles, are directly related to employee job satisfaction. Of the three independent variables, transformational

leadership and transactional leadership proved to have a positive association with job satisfaction while passive-avoidant leadership has a negative relationship with job satisfaction. The transformational leadership variable has a positive association was reported to exist between the transformational leadership style and job satisfaction; and to a lesser extent, between transactional leadership and job satisfaction. The passive- avoidant leadership style was reported to have a negative association with job satisfaction. As such, employees who have freedom of cereativity, inspiration and motivation from their leaders tend tp be more productive that employees under Passive-avoidant supervision.

The general study aim was achieved through successfully accomplishing all study objectives. Conducting a thorough literature review, as presented in Chapter 2, facilitated answering of the study's theoretical questions and achieving the objectives of the study. Based on the literature, a research instrument was developed that sought to answer the study research questions. The data collection instrument was administered to the selected participants at the selected Bank. The data obtained from research participants were analysed statistically to determine the relationship that exists between the independent variables, the leadership styles, and the dependent variable, being job satisfaction. The statistical analysis allowed the researcher to statistically determine the relationship that exists between the study variables.

The study hypotheses were tested and presented below, and conclusions were drawn based on the results of the hypothesis testing.

Hypotheses 1

Transformational Leadership had a high positive and significant correlation with Job Satisfaction. Transactional Leadership had a moderately significant positive correlation ($r = 0.345$; $p = <0.0001$) with Job Satisfaction. Passive Avoidant Leadership had a moderate but negative significant correlation to job satisfaction.

H₁: There is a significant positive relationship between transformational leadership and job satisfaction. This hypothesis can be accepted, as the Cronbach's Alpha value of transformational leadership is ($r = 0.777$; $p = <0.0001$) as indicated in Table 4.7. According to the correlational analysis, the relationship between

Transformational Leadership and Job Satisfaction is significantly correlated. The correlation coefficient in Table 4.7 shows a positive relationship between the transformational leadership style, its five components and job satisfaction.

Hypotheses 2

H₂: There is a significant positive relationship between Transactional Leadership and Job Satisfaction. This hypothesis can be accepted, as the Cronbach's Alpha value of Transactional Leadership is ($r = 0.345$; $p = <0.0001$) as indicated in Table 4.7. According to the correlational analysis, the relationship between transactional leadership and job satisfaction is moderately correlated. This means that there is a medium to large positive relationship between the transactional leadership style and job satisfaction. The correlation coefficient in Table 4.7 shows a positive relationship between transactional leadership, its two components and job satisfaction.

Hypotheses 3

H₃: There is a significant negative relationship between passive-avoidant leadership style and job satisfaction. This hypothesis can be accepted. From Table 4.7, the calculated Cronbach's Alpha of ($r = -0.512$; $p = <0.0001$) is an indication that a significant negative association exists between Passive Avoidant Leadership and Job Satisfaction. The correlation coefficient in Table 4.7 shows a negative relationship between the passive-avoidant leadership style, its two components and job satisfaction.

Based on the empirical studies, it can be concluded that at the selected Bank in the Eastern Cape Province, transformational leadership significantly impacts on employees' job satisfaction. The evidence presented by the results showed that when transformational leadership was displayed by leaders in this organisation, their job satisfaction increased. Transactional leadership was also found to contribute to job satisfaction. However, its contribution to job satisfaction was found to be moderate. Passive avoidant leadership was found to have a negative effect on employees' job satisfaction.

For the selected Bank to be effective, it needs effective leaders who can inspire the followers, and help the organisation and employees achieve individual, group and organisational goals. Such leaders have to adopt a suitable leadership style that is

conducive to promote cooperation, trust and honesty among the employees and the leaders. Based on the study results, displaying both transformational and transactional leadership styles can be useful in achieving individual, group and organisational goals. Based on the different situations that might arise, it may be advisable for the leaders to adopt these two leadership styles and avoid at all cost displaying the passive-avoidant leadership style.

The best leadership style to adopt at the selected Bank is transformational leadership. The leaders should attempt to promote employees being creative and facilitate the creation of groups that promote innovative information and idea sharing. Transformation and change is key to achieve individual, group and organisational goals; therefore, rigidity must be discouraged and employees are empowered to take control and ownership of their work to contribute to their job satisfaction and organisational success. Promoting an environment in the Bank, where employees think 'out-of-the-box' significantly contributes to job satisfaction. Therefore, the leaders in the organisation must strive to display this leadership style at all times.

Communication and the relationship established between the leaders and the followers is key in the organisation. A relationship based on trust, honesty and respect between the leaders and the subordinates is essential to business success. In today's business environment, if employees want to enjoy their work, they need to be in an environment that values their input and an environment that promotes such employees to realise their full potential. Such an environment is made possible when a leader displays a transformational leadership style. It is also important to mention that transactional rewards are important as employees want to be compensated and complimented for the effort they contribute to the organisation. Therefore, to succeed in achieving job satisfaction in this organisation, it is imperative that it seeks leaders who encourage and influence innovative and committed behaviour in the individual employees, and that the organisation is seen to reward such behaviour. Adopting a transformational and transactional leadership will be effective ingredients in the effort to achieve increased employee job satisfaction and resultant organisational success.

5.4 Recommendations and Managerial Implications

The findings of this research have shown that the leadership styles under investigation have an impact on the job satisfaction of employees. It is thus the

responsibility of the financial institution under investigation to strongly focus on the leadership styles exhibited by its leaders to ensure increased job satisfaction among employees in the organisation. This is supported by the literature explored in this study, which suggested an association exists between the different leadership styles and job satisfaction. The empirical study found that transactional and transformational leadership styles positively impact the employees' job satisfaction in the selected financial institution. Of the constructs making up the transformational variable, inspirational motivation and idealised influence had the greatest positive impact on the variable. It follows that the potential transformational power of individual is vested in the degree to which subordinates are inspired by the behaviours of the leader. Intellectual stimulation and individual consideration were noted to also contribute significantly towards transformational leadership. The institution's leadership must take active steps to equip and empower its leaders through various leadership development programmes, initiatives and workshops that focus on enhancing the transformational and transactional leadership styles, which in turn foster higher levels of employee job satisfaction.

The banking institution can also create and support a working environment that stimulates job satisfaction through having an effective staff selection process. Employing supervisors and leaders who exhibit the suitable behavioural tendencies during the initial recruitment interview will be of importance as they will likely exhibit the necessary leadership styles that foster a conducive working environment that will stimulate employees' job satisfaction. Such an initiative can ensure that the organisation employs the suitable calibre of supervisors, leaders and managers, who will ensure employees' job satisfaction and higher levels of productivity.

In the current study, Transactional Leadership was found to have a moderate relationship with job satisfaction. Contingent reward which is an element of transformational leadership was found to significantly contribute to job satisfaction. It follows that rewards play a significant role in earning job satisfaction. Transactional leaders satisfy the subordinates by exchanging rewards for services rendered, but such reward system is not objective. Hence, it is advised for policy implication that a reward system must be impartial and without favouritism. Fair transactions will result in increased job satisfaction among the employees.

5.5 Limitations

There were several limitations identified while conducting this study. The main limitation was that the study used the questionnaire as the only data collection instrument. The questionnaire limits the information obtained from the participants as the questionnaire restricts the participants' response to the developed questions. Using one data collection instrument is one limitation identified in the study.

The second limitation was that the study was conducted using a sample of participants working in one selected Bank within the Eastern Cape Province. Although the study focused on all employees of this selected Bank within the Eastern Cape, it is impossible to generalise the results of this study to the entire banking industry. Generalisation will be limited only to the Bank selected for study and the province the study was limited to.

Another limitation was the fact that although participation in the study was voluntary, the variables selected for study are a sensitive case; discussing how employees perceive their leader is a sensitive issue, which might jeopardise the truthfulness of the participants' responses. As much as participants were made aware that their responses would be confidential, possible perceived lack of confidentiality could influence responses. Responses might have been given in a manner that was intended to 'paint a positive picture' instead of the true nature of the situation at the Bank. Another limitation was that the study aimed at identifying the relationship between the study variables. Nothing was done to prove the discovered relationship between the variables.

5.6 Recommendations for Future Research

After assessing the limitations encountered during the empirical research, recommendations for future research are presented below.

- To overcome the first limitation, it will be advisable to adopt multiple data collection instruments when conducting future research. The use of multiple data collection techniques will enrich and strengthen the research findings. The use of multiple instruments allows triangulation and therefore, enriched research findings will be achieved.
- To overcome the second limitation, data should be collected from various

banks within the banking industry. This will enable generalisation of results across the banking industry. As much as this study serves as a foundation for future studies in different banks within the banking industry, it is recommended that the study be repeated among all major banks in South Africa to enable generalisation of results.

- The use of multiple data collection methods can validate the information, particularly including qualitative research, which obtains in-depth data linking statistics and probed attitudes, would overcome the third limitation of potential bias. It would also be of academic interest to conduct a similar study among other organisations in the financial sector, for example insurance companies.

5.7 Chapter Summary

This chapter provided the conclusion of the empirical study regarding the theoretical and empirical questions of the study. These conclusions were based on the discussion of the study findings, which were also drawn in this chapter. Recommendations and managerial implications were also discussed in this chapter. The limitations that were identified in this study were discussed and the recommendations for future research were presented. All objectives and the research aim were attained. The research questions were answered in the current chapter.

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Annexure 1



Rhodes Business School
PO Box 94
Grahamstown
6140

1 August 2017

To whom it may concern

Research Approval Shaun Peter Wyngaard (Reference: 2017_03_50 Wyngaard, Shaun MBA)

This letter serves to confirm that Shaun Peter Wyngaard (G15W9071) is a registered student at Rhodes University, and is reading for a Master of Business Administration (MBA) Degree within the Rhodes Business School.

The research proposal for the research dissertation to be submitted in partial fulfilment of the requirements for the degree was approved by the Commerce Faculty's Higher Degrees Committee on 2 October 2016. Furthermore, on 1 August 2017 Ethical Clearance was recommended from the Rhodes Business School Ethics Committee to the ethics application (2017_03_50 Wyngaard, Shaun MBA). The provisional title of the research is "The impact of organizational leadership on job satisfaction at a financial institution in the eastern cape"

This research will take place under my supervision.

If you have any further queries related to the research, please feel free to contact me at k.rafferty@ru.ac.za, or at 046 603 8617.

Yours faithfully,



Mr Kevin Rafferty
RHODES BUSINESS SCHOOL

Retail and Business Banking

Mr. Shaun Wyngaard
2 Twinn Falls Lane
Dorchester Heights
East London
5200

13th December 2016

PERMISSION TO CONDUCT RESEARCH.

Dear Mr. Wyngaard

The reason for this letter is to respond to your application for consent to conduct research.

Permission is hereby granted, to conduct the requested research on *"The impact of leadership on job satisfaction at a certain bank in the Eastern Cape"* in your capacity as a Master of Business Administration (MBA) student/candidate at Rhodes University (RU) on the following conditions.

- All your activities will be restricted to data collection, which needs to be done in a fashion that does not disrupt normal day to day business activities.
- The identity of participants is to remain anonymous, unless they consent otherwise.
- All your findings or results of this study will be shared with the Provincial Executive Leadership.

Should you agree with the above terms as stated above, I, Gary Markson do hereby grant permission to you, Shaun Wyngaard to conduct the study to investigate *"The impact of leadership on job satisfaction at a certain bank in the Eastern Cape"*.

Sincerely,


Gary Markson
Provincial Head: Eastern Cape

Annexure 3

For use by Shaun Wyngaard only. Received from Mind Garden, Inc. on March 6, 2017



www.mindgarden.com

To whom it may concern,

This letter is to grant permission for the above named person to use the following copyright material for his/her research:

Instrument: Multifactor Leadership Questionnaire

Authors: Bruce Avolio and Bernard Bass

Copyright: 1995 by Bruce Avolio and Bernard Bass

Five sample items from this instrument may be reproduced for inclusion in a proposal, thesis, or dissertation.

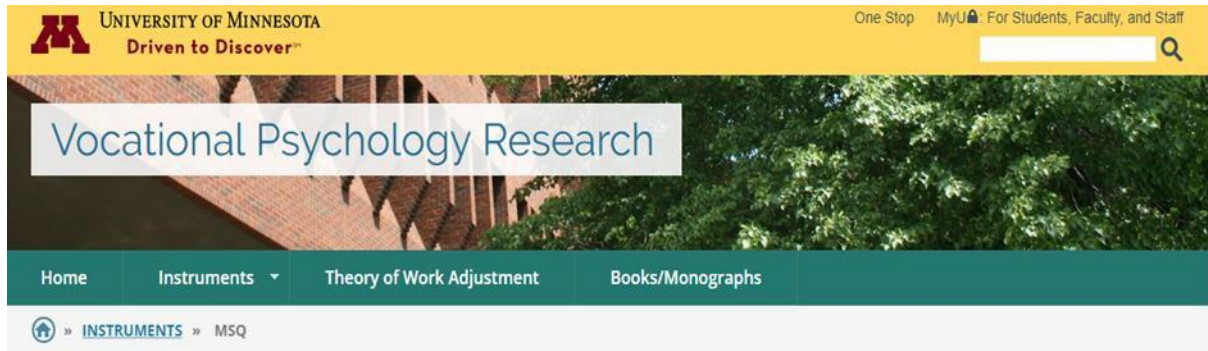
The entire instrument may not be included or reproduced at any time in any published material.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Most", with a long horizontal line extending to the right.

Robert Most
Mind Garden, Inc.
www.mindgarden.com

Annexure 4



(MSQ) Minnesota Satisfaction Questionnaire

VPR no longer sells the MSQ questionnaires. All forms are available under a [Creative Commons Attribution-NonCommercial 4.0 International License](#). This license allows the instrument to be used for research or clinical work free of charge and without written consent, provided that you acknowledge Vocational Psychology Research, University of Minnesota, as the source of the material in your reproduced materials (printed or electronic). This license does not allow commercial use or reproduction for sale. The MSQ may be used without cost, however, for employee surveys provided that the survey is implemented within an organization and that no charges are made for its use.

VPR and the University of Minnesota do not offer scoring for the MSQ and cannot answer questions about its administration or scoring. Directions for scoring the MSQ are in its manual.

Source: <http://vpr.psych.umn.edu/instruments/msq-minnesota-satisfaction-questionnaire>

Sample of the MSQ instrument.

65. The freedom to use my own judgment.

Very Dissatisfied Dissatisfied Neutral Satisfied Very Satisfied

66. The chance to try my own methods of doing the job.

Very Dissatisfied Dissatisfied Neutral Satisfied Very Satisfied

67. The working conditions.

Very Dissatisfied Dissatisfied Neutral Satisfied Very Satisfied

68. The way my co-workers get along with each other.

Very Dissatisfied Dissatisfied Neutral Satisfied Very Satisfied

69. The praise I get for doing a good job.

Very Dissatisfied Dissatisfied Neutral Satisfied Very Satisfied

70. The feeling of accomplishment I get from the job.

Very Dissatisfied Dissatisfied Neutral Satisfied Very Satisfied

Annexure 5

Sample of the MLQ instrument

MLQ - Multifactor Leadership Questionnaire

This questionnaire is to describe the leadership style of your immediate superior as you perceive it. Please answer all items on this questionnaire. The questionnaire to be answered anonymously. (copyright © 1995 Bruce Avolio and Bernard Bass. All rights reserved in all media. "Published by Mind Garden, Inc. www.mindgarden.com")

MY IMMEDIATE SUPERVISOR...

6. Provides me with assistance in exchange for my efforts.

Not at all Once in a while Sometimes Fairly often Frequently if not always

Other (please specify)

7. Re-examines critical assumptions to question whether they are appropriate.

Not at all Once in a while Sometimes Fairly if not often Frequently if not always

Other (please specify)

8. Fails to interfere until problems become serious.

Not at all Once in a while Sometimes Fairly if not often Frequently if not always

Other (please specify)

9. Focuses attention on irregularities, mistakes, exceptions, and deviations from standards.

Not at all Once in a while Sometimes Fairly if not often Frequently if not always