

# Innovations

## The effect of transformational leadership style on employee job satisfaction : a study on Amhara credit and saving institution, Ethiopia

**Yilma Asmamaw Alemu**

Research Scholar (Full-time),  
Department of Commerce and Management Studies  
Andhra University, Visakhapatnam, India

**Research Director: Prof. M. Sandhya Sridevi MBA, Ph.D.,**

Department of Commerce and Management Studies  
Andhra University, Visakhapatnam, India

**Joint Research Director: Prof. M. Uma Devi MBA., Ph.D.,**

Department of Commerce and Management Studies  
Andhra University, Visakhapatnam, India  
Corresponding Author: **Yilma Asmamaw Alemu**

---

---

### **Abstract**

*This study investigates the effects of a transformational leadership style on the job satisfaction of Amhara Credit and Saving Institution employees. The Amhara Credit and Saving Institution (ACSI) is one of the largest microfinance institutions in Ethiopia. The multifactor Leadership Questionnaire (MLQ) was used to measure transformational leadership practices, and the Minnesota Satisfaction Questionnaire (MSQ) was used to measure employee satisfaction. Three hundred ninety-seven survey questionnaires were given, and 352 valid ACSI workers replied, representing a response rate of 88.7%, and the data were analyzed using SPSS 23. According to the study's findings, transformational leadership has a favorable impact on employee satisfaction. Pearson correlation analysis result shows that all factors of transformational leadership Idealized influence (behavior), Inspirational motivation, Idealized influence (attributed), Individualized consideration, and Intellectual stimulation were all positive and strongly correlated with one with employee satisfaction. The regression analysis result showed that transformational leadership explains employee satisfaction, and the ANOVA table confirmed that the model is statistically significant at p.01. The coefficient portion of the regression model discovered that all aspects of transformational leadership, including Idealized influence (behavior), Inspirational motivation, Idealized influence (attributed), Individualized consideration, and Intellectual stimulation, were significantly determinant in terms of predicting employee satisfaction. According to the study finding, transformational leadership is an essential type of leadership to practice if one wishes to improve employee satisfaction.*

**Keywords:** 1. Transformational leadership, 2. Microfinance institution, 3. Employee, 4. job satisfaction, 5. Employees' job satisfaction

---

---

**Introduction:** Companies, public organizations, organizations that are profitable or not profitable, and academic institutions that are creating programs in leadership studies have all shown a growing interest in leadership in recent years.

Organizational success has been attributed to effective leadership and employee job satisfaction (Kennerly, 1989). A proficient leader gives the group direction and guides the followers in the right direction. The innovative modern type of leadership focusing on transformational leadership has engaged the place of classic or transactional approaches (Bass, 1985).

Even though there have been a great number of significant studies on the relationship between leadership style and job satisfaction across the extensive variety of businesses, there is still a lack of studies looking into these topics in east Africa, specifically in Ethiopian microfinance institutions. The gap in the research needs to be filled.

Therefore, the study examines the effects of transformational leadership on ACSI employees' job satisfaction.

## **1. Transformational leadership**

The term "transformation" refers to a significant shift in an individual's, an organization's, or a society's deep alignment that makes it possible for new activities and results were previously impossible. The leadership expert MacGregor is credited with first articulating the concept of transformational leadership in 1978.

Burns (1978) views the leader as transformational when they assist and motivate followers to raise their inspiration, thoughts, ethics, observations, and relationship with the institution's objectives. Bass said a leader motivates us to do more Bass (1985).

The transformational leader inspires followers to put the team or organization beyond self-interest; they deliver groups with an inspirational mission and vision and stretch them a sense of uniqueness. Transformational leadership's ultimate objective is transforming people and organizations Bass and Avolio (1994).

### **1.1. Factors associated with transformational leadership**

Initially, Bass focused on three components of transformational leadership: charismatic-inspirational, intellectual stimulation, and individual consideration (Bass, 1985). However, the charismatic-inspiring aspect was split into inspirational motivation and idealized influence (Avolio, 2004). Bass & Riggio (2006) introduced the following four components of transformational leadership. They are Idealized Influence (II), Intellectual Stimulation (IS), Inspirational Motivation (IM), and Individualized Consideration (IC).

Still, lately, factor analyses suggested that the Idealized Influence factor, subsequently called Idealized Influence (attribute) and Idealized Influence (behavior), was separated from the Idealized Influence inspiration and formed Inspirational Motivation.

#### **1.1.1. Factor 1: Idealized Influence**

Idealized influence or charismatic, transformational leaders are exemplary and considered role models by their followers. The essential quality of idealized influence is the behavior in which followers are interested to respect the leader as a role model. Idealized influence is characterized by the following characteristics: (Sarros & Santora, 2001). Idealized influence is divided into attributes and behavior.

**I. Idealized influence (attribute):** relates to "the leader's socialized charisma is regarded as being powerful and self-assured or as emphasizing higher-order ideas and virtues" (Antonakis, 2003), connected to the qualities that followers attach to the leader and how they see the leader as self-assured and assertive (Avolio et al., 1999).

**II. Idealized influence (behavior):** which is associated with the charismatic behaviors of the leader demonstrating his principles, beliefs, sense of mission, ethics, and morality (Antonakis, 2003).

It is stated that followers imitate the transformational leader's high moral standards and ethical behavior (Hamidifar 2010 & Northouse 2021).

### **1.1.2. Factor 2: Inspirational Motivation**

Transformational leaders perform in conduct that inspires others and encourages employees to generate enthusiasm. Leaders driven by inspiration may communicate their group's vision to followers (Bass, 1985). Leaders engage followers in imagining desirable future conditions. These leaders talk optimistically and enthusiastically. They communicate expectations and demonstrate commitment to goals and a shared vision. They articulate a vision and communicate that vision to the followers to make them part of the vision (Bass & Riggio, 2006).

### **1.1.3. Factor 3: Intellectual Stimulation**

Intellectual stimulating leaders encounter the current situation by questioning expectations, reframing problems, and approaching deep rooted conditions innovatively (Ahangar & Rooshan, 2009). Transformational leaders actively search for new ideas and new ways of doing business. Leaders overcome obstacles and apply their problem-solving skills to make decisions that show agreement between the leaders and the employees (Sarros & Santora, 2001). This leadership promotes innovation and creativity among its followers.

### **1.1.4. Factor 4: Individualized Consideration**

Individual considerate leaders gave individual consideration and spent time teaching and coaching followers needed for growth and achievement of the common goal. Leaders who listen carefully to followers' requirements to foster a supportive environment are known as individualized consideration. This type of leader considers the needs of their team members and mentors them to promote sustainable development (Bass & Avolio, 1990; Sarros & Santora, 2001). These leaders understand their followers' strengths and weaknesses while they provide coaching and mentoring.

## **2.2. Employeesatisfaction**

In literature, employee satisfaction has been characterized in various ways. The word "satisfaction" is described as an expression of pleasure, an excellent emotional condition brought on by an evaluation of one's work or professional experience, and, generally, inner peace (Mercer, 1997). *Employee job satisfaction* may be defined as satisfying these job expectations (Tang & Talpade, 1999). Employee satisfaction refers to how employees feel and behave about their jobs and various aspects of their jobs (Spector, 1997). Employee feelings regarding intrinsic and extrinsic job components are included in the multidimensional concept of employee job satisfaction.

## **2.3. Effects of transformational leadership on employee job satisfaction**

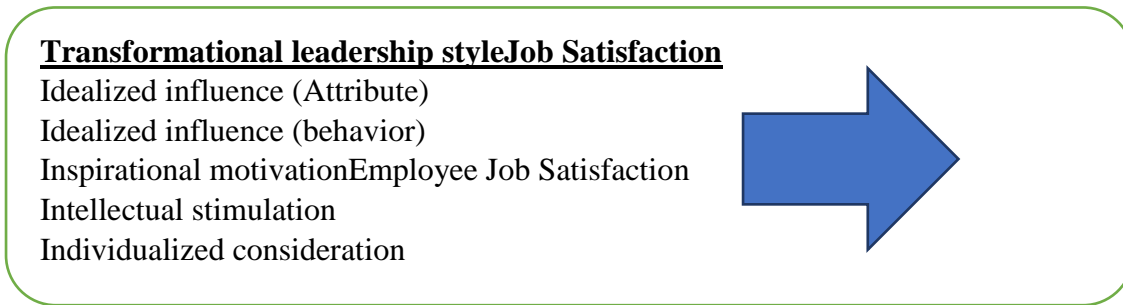
People who give their leaders high marks for transformational leadership believe the leaders and work components are influential. Employees' impressions are other as content with them with than people who give low marks (Molero et al., 2007). The leader and employee relationship significantly influence employee confidence and job satisfaction (Chen & Spector, 1991; De Cremer, 2003). Because of its creative, compassionate, and innovative nature, a survey of the pertinent literature indicates multiple correlations between transformational leadership and job satisfaction that philosophers take to establish their investigation (Bodla & Nawaz, 2010; Gill et al., 2010; Omar, 2011; Bushra et al., 2011; Nielsen et al., 2009). Transformational leaders effectively inspire their groups, inspire and encourage them to contemplate creatively and innovatively, and support their followers' decision-making to have a high degree of job satisfaction (Watson, 2009).

Purvanova, Bono, and Dziewieczynski (2006) found a relationship between transformational leadership and organizational performance.

Idealized influence, inspirational motivation, individual consideration, and intellectual stimulation significantly affect employee job satisfaction (Nemanich & Keller, 2007).

## **2.4. Conceptual Framework for the study**

Transformational leadership can improve employee's satisfaction. The capacity of employees to understand the organizational objective can also contribute to employee job satisfaction.



**Figure 1: Conceptual Framework for study**

**Figure 1 shows the relationship between the five components of transformative leadership and employees job satisfaction.**

### **3. Methodology and Data Collection**

#### **3.1. Research design**

This research examines how transformational leadership style influences employees' levels of job satisfaction at Amhara Credit and Savings Institution in Amhara, Ethiopia. Members of the ACSI workforce made up the entirety of the population.

People working for ACSI made up the entirety of the population. The sample respondents were chosen using random and purposive sampling techniques. Since only respondents who had been evaluated for at least a year in their institution were included in the random sample, the ACSI branch was selected using a purposive sampling technique.

The sample was considered to be representative because the population was homogeneous. The investigator selected a random sample of 397 respondents from the target population because it was challenging to perform the survey on all ACSI personnel at the specified branch.

#### **3.2. Research Instruments**

The research used primary and secondary data sources to obtain essential information. Primary data were gathered using the Multifactor Leadership Questionnaire (MLQ form 5X) by Bass and Avolio (1997) to measure transformational leadership style, and Minnesota Satisfaction Questionnaire (MSQ) was used to measure employee satisfaction. Transformational leadership style is measured using five leadership factors: 1. Idealized influence (Attribute), 2. Idealized influence (behavior), 3. Inspirational motivation, 4. Intellectual stimulation, and 5. Individualized consideration. The researcher utilized a Likert scale with five points, ranging from not at all (1) to frequently, if not always (5), and also an employee satisfaction among scales ranging from very dissatisfied (1) to very satisfied (5).

The secondary data were gathered from the institution's manual and historical records, as well as from books, the internet, and other reports on leadership style and employee satisfaction. Following the collection of data, descriptive statistics are used in order to examine it. Pearson correlation analysis and regression analysis were used to test the hypothesis. The data has been analyzed using Statistical Package for Social Sciences Version 23 (SPSS 23). This research is cross-sectional and explanatory.

#### **3.3. Research Hypothesis**

The following set of hypotheses was created to investigate the connection between transformative leadership and the level of job satisfaction experienced by ACSI employees. H1: There is a positive and significant correlation between transformational leadership and employee satisfaction in ACSI.

H1a: idealized influence (Attribute) positively relates to job satisfaction

H1b: idealized influence (behavior) positively relates to job satisfaction

H1c: inspirational motivation positively relates to employee job satisfaction

H1d: intellectual stimulation positively relates to employee job satisfaction

H1e: individualized consideration positively relates to employee job satisfaction

#### 4. Analysis and results

This study's data analysis has two parts. Section one, Section one, the preliminary analysis, consisted primarily of descriptive statistics detailing the demographic characteristics of the respondents.

Section two is the principal analysis, which includes a brief review of the chosen analytical measures such as descriptive analysis, central tendency (mean and standard deviation), ANOVA, and correlation and regression.

Table 1 Cronbach's alpha reliability coefficient of MLQ and MSQ

Variables	Cronbach's alpha	N of Items
Transformational leadership	.938	20
Employee Satisfaction	.820	36

Here, "N" represents the number of transformational leadership styles and employee satisfaction items. The Cronbach's alpha coefficient for the twenty items of transformational leadership is 0.938, and Cronbach's Alpha coefficient for the thirty-six items of employee satisfaction is 0.820, which suggests that the items have high internal consistency. (Note that a reliability coefficient of .70 or higher is considered "acceptable" in most social science research situations).

#### 4.1. Demographic Characteristics of Employees of the Sampled ACSI

The descriptive analysis of the data on the demographic characteristics of the sampled employees of ACSI describes in the following.

Table 2: Summary of employee demographic statistics (N= 352)

Variable	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	219	62.2	62.2	62.2
	Female	133	37.8	37.8	100.0
Total		352	100.0	100.0	
Age	18–30 years	28	8.0	8.0	8.0
	31–40 years	211	59.9	59.9	67.9
	41–50 years	98	27.8	27.8	95.7
	Above 50 years	15	4.3	4.3	100.0
Total		352	100.0	100.0	
Educational level	Diploma	130	36.9	36.9	36.9
	Undergraduate Degree	134	38.1	38.1	75.0
	Post graduate	13	3.7	3.7	78.7
	Other (please specify)	75	21.3	21.3	100.0
Total		352	100.0	100.0	
Work Experience	Less than 5 years	12	3.4	3.4	3.4
	6-10 years	153	43.5	43.5	46.9

	11-15 years	143	40.6	40.6	87.5
	More than 15 years	44	12.5	12.5	100.0
Total		352	100.0	100.0	

Source: computed & compiled from Questioner (2021) SPSS 23 output.

The descriptive analysis of the data on the demographic characteristics of the sampled employees of ACSI is shown in table 2.

Gender of the respondents: based on the analysis of the data (62.2%) and (37.8%) of the employee respondents were males and females, respectively. The result reflected the prevalence of male dominance in ACSI.

Regarding age groups, 95.7% of the respondents were between the ages of 18 and 50 only 4.3% were over 50 years old. The result implies that the employees who work in the institution are under the productive age.

Regarding respondents' educational backgrounds, 78.7% of the total respondents were holders of a first degree, diploma, and postgraduate degree, whereas 21.3% other educational levels like certificate, 12 complete and below. The result implies that the selected institution has reasonably qualified employees with the knowledge and skill to perform organizational activities.

When we came to the respondents' employment history in the chosen branch, the majority (96.6%) had more than five years of experience. The results show that the responder had higher knowledge, expertise, and acquaintance with the chosen institution.

#### 4.2.Data analysis

This section provides an overview of the Multifactor Leadership Questionnaire (5X short) and The Minnesota Satisfaction Questionnaire (MSQ), followed by each dimension's mean and standard deviation.

##### 4.2.1. Descriptive Statistics of the leadership style factors and Employee Satisfaction

Descriptive statistics in the form of arithmetic measures of central tendency (means) and measures of dispersal (standard deviation) for respondents were computed for the various factors of transformational leadership style and employee satisfaction.

Transformational Leadership factors	N	Mean	Std. Deviation
Employee Satisfaction	352	3.1589	.37163
Idealized influence (behavior)	352	3.1264	.73695
Individualized consideration	352	3.1207	.77210
Inspirational motivation	352	3.1101	.79760
Idealized influence (attributed)	352	3.0781	.75339
Intellectual stimulation	352	3.0760	.76986
Valid N (listwise)	352		

Source: Questioner (2021), computed and compiled from the SPSS 23 output.

Table 3 shows the Descriptive statistics based on the transformational leadership factors for the independent variable and employee satisfaction for the dependent variable of these participants (N = 352) in descending order. For the factors of transformational leadership, idealized influence (behavior) (Mean = 3.13, Std. Deviation = 0.74), Individualized consideration (Mean = 3.12, Std. Deviation = 0.77), Inspirational motivation (Mean = 3.11, Std. Deviation = 0.80) and Idealized influence (attributed) (Mean = 3.078, Std. Deviation = 0.75) and intellectual stimulation (Mean = 3.076, Std. Deviation = 0.77) Respectively. The mean of the dependent variable of employee satisfaction was (Mean = 3.16, Std. Deviation = 0.37). Factor Idealized influence (behavior) had the highest mean in this category, 3.13, whereas Intellectual factor stimulation had the lowest mean score of 3.08.

It was also observed from highest to lowest Standard Deviation. Factor Inspirational motivation had the highest Standard Deviation of 0.80, whereas Idealized factor influence (behavior) had the lowest Standard Deviation value of 0.74). It demonstrates that the data were relatively narrow spread, indicating the moderate harmoniousness of employees' opinions.

The results indicated that ACSI employees were satisfied with the transformational leadership style factors. ACSI employees perceived they were satisfied with most of their leaders' actions in all sub-factors of transformational Leadership style (Idealized influence (behavior), Individualized consideration, Inspirational motivation, Idealized influence (attributed), and Intellectual stimulation). In general, Table 3 provides the descriptive statistics of the transformational Leadership factors as independent variables that impacted the dependent variable of employee satisfaction.

**4.2.2. Testing the Hypotheses of the Study**

The hypotheses in this study were aimed at investigating the effect of the independent variables on the dependent variable. Pearson's correlation analysis was used to examine the correlation between the dependent and independent variables. The formulated hypotheses were further tested using multiple regression and ANOVA.

**Hypothesis**

H1: There is a positive and significant correlation between transformational leadership and employee satisfaction in ACSI.

- H1a: idealized influence (Attribute) positively relates to job satisfaction
- H1b: idealized influence (behaviour), positively relates to job satisfaction
- H1c: inspirational motivation positively relates to employee job satisfaction
- H1d: intellectual stimulation positively relates to employee job satisfaction
- H1e: individualized consideration positively relates to employee job satisfaction

**4.2.2.1. Correlation analysis**

A correlation coefficient (r) shows the strength of two variables' link. +1 denotes perfect positive correlation, -1 perfect negative correlation, and 0 no connection.

According to Cohen (1988), the r-value indicates the strength of two variables' association.

- Strong correlation occurs when the coefficient is between 0.50 and 1.
- Moderate correlation: when the coefficient is between 0.30 and 0.49
- Low degree: when the coefficient is between 0.10 and .29

This study employed Pearson correlation to compare dependent and independent variables. The analysis results are described as follows.

**Table 4 Pearson Correlation**

		Employee Satisfaction	Idealized influence (attributed)	Idealized influence (behavior)	Inspirational motivation	Intellectual stimulation	Individualized consideration
Employee Satisfaction	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	352					
Idealized influence (attributed)	Pearson Correlation	.708**	1				
	Sig. (2-tailed)	.000					
	N	352	352				
Idealized influence (behavior)	Pearson Correlation	.760**	.649**	1			
	Sig. (2-tailed)	.000	.000				



	N	352	352	352			
Inspirational motivation	Pearson Correlation	.721**	.658**	.592**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	352	352	352	352		
Intellectual stimulation	Pearson Correlation	.696**	.501**	.676**	.509**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	352	352	352	352	352	
Individualized consideration	Pearson Correlation	.707**	.549**	.624**	.531**	.644**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	352	352	352	352	352	352

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Questioner (2021), computed and compiled from the SPSS 23 output.

The inter-correlations among the study variables are shown in Table 4 employees' satisfaction was dependent variable and transformational leadership factors (Idealized Influence (attribute), Idealized Influence (behavior), Inspirational Motivation, Intellectual Stimulation and Individualized Consideration) were independent variables. As we can be seen from the above table: Idealized influence (behavior) (r=.760, p<.01), Inspirational motivation (r=.721, p<.01), Idealized influence (attributed) (r=.708, p<.01), Individualized consideration (r=.707, p<.01) and Intellectual stimulation (r=.696, p<.01) were all significant and a strong correlation with employee satisfaction.

Conferring to the analysis results, there is a positive and strong correlation between transformational leadership style factors and employee satisfaction in ACSI. Which suggesting that the higher the transformational leadership factors implemented is, the better employees satisfaction.

#### 4.2.2.2. Multiple regression analysis

Multiple regression is the statistical method to investigate the relationship between the dependent and independent variables. The multiple regression analysis aims to predict the value of a single dependent variable using known independent variables.

Multiple regression works by considering the values of the available multiple independent variables and predicting the value of one dependent variable.

**Table 5: The regression model's coefficient, ANOVA, and determination of multiple regression equation for hypothesis 1 showing Transformational leadership style and employee satisfaction: (N=352)**

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
Idealized influence (attributed)	.087	.019	.176	4.572	.000	.050	.124	.708	.239	.119	.453	2.208
Idealized influence (behavior)	.122	.021	.241	5.785	.000	.080	.163	.760	.297	.150	.388	2.575
Inspirational motivation	.122	.017	.262	7.134	.000	.088	.156	.721	.358	.185	.500	1.998



Intellectual stimulation	.087	.019	.180	4.684	.000	.050	.123	.696	.244	.122	.458	2.185
Individualized consideration	.098	.018	.204	5.496	.000	.063	.134	.707	.283	.143	.488	2.050
R	.876 <sup>a</sup>											
R Square	.767											
Adjusted R Square	.763											
Std. Error of the Estimate	.18084											
F	227.271											
Sig.	.000											
Durbin-Watson	1.979											

a. Predictors: (Constant), Individualized consideration, Inspirational motivation, Intellectual stimulation, Idealized influence (attributed), Idealized influence (behavior)

b. Dependent Variable: Employee Satisfaction

Source: Questioner (2021), computed and compiled from the SPSS 23 output.

Table 5 shows how much of the variance in the dependent variable employee satisfaction (EMSAT) was explained by the model, which includes the variables of transformational leadership such as IIA, IIB, IM, IS, and IC. In this case, the R Square value of 0.767 meant 76.7% of the variance in the employee job satisfaction was explained by transformational leadership style. The strengthened the results of correlation analysis, confirming a positive relationship between transformational leadership style and employee job satisfaction.

The proposed model was adequate as the F-statistics (p-value = 0.000) was significant at the ( $p \leq 0.01$ ) level of significance with  $F(5, 346) = 227.271$ ;  $R^2 = 0.763$ ;  $P < .01$ ) level of significance, the alternative hypothesis  $H1:1$  is accepted and conclude transformational leadership style has a positive effect on employee job satisfaction.

The Unstandardized Coefficients indicated how much the dependent variable varies dimensions with an independent variable when other independent variables are held constant. In other words, the  $\beta$  coefficient indicated how and to what extent transformational leadership style dimensions such as IIA, IIB, IM, IS, and IC influence employee satisfaction of the ACSI. Results showed a positive relationship between leadership style and employee job satisfaction. The result affirmed that the higher the level of these variables, the higher their significance on employee job satisfaction. The data in table 5 further displayed which of the variables included in the model contributed to the prediction of the dependent variable. It has been found that the variables IM ( $\beta = .122$ ;  $t = 7.134$ ;  $P < .01$ ); IB ( $\beta = .122$ ;  $t = 5.785$ ;  $P < .01$ ); IC ( $\beta = .098$ ;  $t = 5.496$ ;  $P < .01$ ); IS ( $\beta = .087$ ;  $t = 4.684$ ;  $P < .01$ ) and IA ( $\beta = .087$ ;  $t = 4.572$ ;  $P < .01$ ) were significantly independent predictors of employee job satisfaction. The above result implies that Inspirational motivation, Idealized influence (behavior), Individualized consideration, Intellectual stimulation, and Idealized influence (attributed) positively affect employee job satisfaction.

Then the fitted Regression Model for measuring employee job satisfaction level, in general, is as follows:  $Y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + e$

Where: Y = value of the Dependent variable or Employee satisfaction (EMSAT)

$\alpha$  = Constant or intercept

$\beta_i$  = the slope (Beta coefficient) for  $X_i$

$X_1$  = Inspirational motivation (IM)

$X_2$  = Idealized influence (behavior) (IIB)

$X_3$  = Individualized consideration (IC)

$X_4$  = Intellectual stimulation (IS)

$X_5$  = Idealized influence (attributed) (IIA)

$$Y = 1.557 + .122IM + .122IIB + .098IC + .087IS + .087IIA$$

The result indicated that when all the independent transformational leadership style variables are set to 0, the intercept of employee job satisfaction is 1.557.

The beta coefficients show the relationship between EMSAT and each predictor. If the value of the  $\beta$  coefficient is positive, there is a positive relationship between the predictor and the outcome, whereas a negative coefficient represents a negative relationship. For these data, all five predictors have positive beta coefficients indicating positive relationships. Therefore, the increase in IM, IIB, IC, IS and IIA values affects EMSAT. That is, the EMSAT level is higher when the values of these variables are increased. In this case, the coefficient value of IM (Inspirational motivation), IIB (Idealized influence (behaviour)) and IC (Individualized consideration) is the highest (.122, .122 and .098), respectively, followed by IS (Intellectual stimulation) and IIA (Idealized influence (attributed)) both values also equal to .087.

## 5. Summary and conclusion

The study's summary and conclusion are explained in this section. These arguments are made in light of the results of statistical analysis and discussions of the findings.

### 5.1. Summary of major findings

This study hypothesizes that there is a positive correlation between transformational leadership factors and the level of job satisfaction experienced by workers.

**Rendering** to the data that was shown earlier, it has been found that aspects of transformational leadership have been found to have a significant and positive relationship with employees' job satisfaction. **Conferring** to the research conducted, the Pearson correlation analysis discovered that all aspects of transformational leadership have a high relationship not just with one another but also with the level of job satisfaction experienced by employees.

All the inter-correlations independent variables were significant and strongly correlated with employee satisfaction. These variables included idealized influence (behavior), inspirational motivation, idealized influence (attributed), individualized consideration, and intellectual stimulation.

As a result, the study's outcomes provide evidence that the hypothesis is correct and demonstrate that leaders can increase employee satisfaction by employing a transformational leadership style. The level of job satisfaction experienced by workers whose supervisors are transformational leaders is significantly higher.

This finding is significant because it demonstrates that the organizations' employees prefer the current leadership philosophy known as transformational leadership.

### 5.2. Conclusion

The study's purpose is to investigate the relationship between transformational leadership style and employees job satisfaction. According to finding, transformational leadership style positively affects employee satisfaction.

The findings imply that leaders should build transformational leadership style to increase the level of job satisfaction. The most important factor contributing to an organization's success is its workforce. As a result, leaders are responsible for guiding and motivating their teams to achieve the organization's objectives in their day-to-day work.

Regrettably, the leaders of the ACSI are following this leadership model in their institution.

The findings of this research led the researchers to conclude that managers can improve employee satisfaction by adopting transformational leadership behaviors.

Conferring to the conclusions of the research mentioned above, transformational leadership is progressively essential for employees' job satisfaction. The Job satisfaction is significantly impacted when a leader possesses attributes of transformational leadership.

More aspects, including job retention, team performance, organizational commitment, and how it operates in diverse cultural settings, might be included in the study that will be conducted in the future.

## References

1. Ahangar, R.G. and Roshan, A.A., (2009). *Building managers as transformational leaders in public sector banks. International Review of Business Research Papers*, 5(5), pp.355-364.
2. Antonakis, J., (2003). Why “emotional intelligence” does not predict leadership effectiveness: A comment on Prati, Douglas, Ferris, Ammeter, and Buckley (2003). *The International Journal of Organizational Analysis*.
3. Avolio, B.J., (2004). *Examining the full range model of leadership: Looking back to transform forward. In Leader development for transforming organizations (pp. 91-118). Psychology Press.*
4. Avolio, B.J., Bass, B.M. and Jung, D.I., (1999). *Re-examining the components of transformational and transactional leadership using the Multifactor Leadership. Journal of occupational and organizational psychology*, 72(4), pp.441-462.
5. Bass, B.M., (1997). *Does the transactional–transformational leadership paradigm transcend organizational and national boundaries? American psychologist*, 52(2), p.130.
6. Bass, B.M. and Avolio, B.J., (1990). *The implications of transactional and transformational leadership for individual, team, and organizational development. Research in organizational change and development*, 4(1), pp.231-272.
7. Bass, B.M. and Avolio, B.J., (1994). *Shatter the glass ceiling: Women may make better managers. Human resource management*, 33(4), pp.549-560.
8. Bodla, M.A. and Nawaz, M.M., (2010). *Comparative study of full range leadership model among faculty members in public and private sector higher education institutes and universities. International Journal of Business and Management*, 5(4), p.208.
9. Bushra, F., Albion, M.J. and Gagliardi, R.E., (2011). *A study of transformational leadership, organizational change and job satisfaction.*
10. Chen, P.Y. and Spector, P.E., (1991). *Negative affectivity as the underlying cause of correlations between stressors and strains. Journal of applied psychology*, 76(3), p.398.
11. Cohen, J., (1988). *Set correlation and contingency tables. Applied psychological measurement*, 12(4), pp.425-434.
12. De Cremer, D., (2003). *Why inconsistent leadership is regarded as procedurally unfair: the importance of social self esteem concerns. European Journal of Social Psychology*, 33(4), pp.535-550.
13. Gill, A., Flaschner, A.B., Shah, C. and Bhutani, I., (2010). *The relations of transformational leadership and empowerment with employee job satisfaction: A study among Indian restaurant employees. Business and Economics Journal*, 18(1), pp.1-10.
14. Hamidifar, F., (2010). *A study of the relationship between leadership styles and employee job satisfaction at IAU in Tehran, Iran. Au-GSB e-Journal*, 3(1).
15. Kennerly, S.M., (1989). *Leadership behavior and organizational characteristics: Implications for faculty satisfaction. Journal of Nursing Education*, 28(5), pp.198-202.
16. MacGregor, B.J., (1978). *Leadership.*
17. Mercer, D., (1997). *Job Satisfaction and the Secondary Headteacher: the creation of a model of job satisfaction. School Leadership & Management*, 17(1), pp.57-68.
18. Molero, F., Cuadrado, I., Navas, M. and Morales, J.F., (2007). *Relations and effects of transformational leadership: A comparative analysis with traditional leadership styles. The Spanish journal of psychology*, 10(2), pp.358-368.
19. Nemanich, L.A. and Keller, R.T., (2007). *Transformational leadership in an acquisition: A field study of employees. The leadership quarterly*, 18(1), pp.49-68.
20. Nielsen, K., Yarker, J., Randall, R. and Munir, F., (2009). *The mediating effects of team and self-efficacy on the relationship between transformational leadership, and job satisfaction and psychological well-being in healthcare professionals: A cross-sectional questionnaire survey. International journal of nursing studies*, 46(9), pp.1236-1244.
21. Omar, A., (2011). *Transformational Leadership and Job Satisfaction: The Moderating Effect of Organizational Trust, LIBERABIT: Lima, Peru, Vol. 17, No. 2. report. Redwood City: Mind Garden, pp.129-137.*

22. Park, J.E. and Deitz, G.D., (2006). *The effect of working relationship quality on salesperson performance and job satisfaction: Adaptive selling behavior in Korean automobile sales representatives. Journal of Business Research*, 59(2), pp.204-213.
23. Purvanova, R.K., Bono, J.E. and Dzieweczynski, J., (2006). *Transformational leadership, job characteristics, and organizational citizenship performance. Human performance*, 19(1), pp.1-22.
24. Sarros, J.C. and Santora, J.C., (2001). *The transformational-transactional leadership model in practice. Leadership & organization development journal*, 22(8), pp.383-394.
25. Spector, P.E., (1997). *Job satisfaction: Application, assessment, causes, and consequences (Vol. 3)*. Sage.
26. Tang, T.L.P. and Talpade, M., 1999. *Sex differences in satisfaction with pay and co-workers: Faculty and staff at a public institution of higher education. Public Personnel Management*, 28(3), pp.345-349.
27. Voon, M.L., Lo, M.C., Ngui, K.S. and Ayob, N.B., (2011). *The influence of leadership styles on employees' job satisfaction in public sector organizations in Malaysia. International journal of business, management and social sciences*, 2(1), pp.24-32.
28. Watson, L.M., (2009). *Leadership's influence on job satisfaction. Radiologic Technology*, 80(4), pp.297-308.

**Corresponding Email: [yilmaasmamaw@gail.com](mailto:yilmaasmamaw@gail.com)  
[sandhayasridevianu@gmail.com](mailto:sandhayasridevianu@gmail.com)  
[umadevi.dcms@gmail.com](mailto:umadevi.dcms@gmail.com)**