

Transformational Leadership and Job Satisfaction in a Malaysian Private Sector Company: A Preliminary Study

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Abstract

Transformational leadership has emerged as one of the most prevalent leadership styles in today's organizational landscape. The manner in which a leader exercises their leadership style is closely linked to the job satisfaction experienced by employees. Nonetheless, there exists a notable gap in research concerning the transformational leadership style and its correlation with job satisfaction among employees in the private sector of Malaysia. Consequently, this study seeks to explore the impact of transformational leadership on employee job satisfaction within a private sector organization located in Serdang, Selangor, Malaysia. This research serves as an initial investigation that will be broadened to include additional factors that may affect job satisfaction. The data collected were analyzed using SPSS, and the preliminary results suggest that transformational leadership style has a significant positive effect on employee job satisfaction.

Keywords: Transformational Leadership, Job Performance, Industry, Business

Introduction

Leadership is defined as the process of influencing group members to collaborate towards achieving shared objectives. It can also be viewed as a mechanism through which individuals inspire each other to reach their full potential. Over time, the concept of leadership has evolved, with contemporary leadership theories incorporating elements from earlier models. Effective leadership styles are known to facilitate change, positioning leaders as significant change agents within their organizations.

Current leadership literature identifies three predominant leadership styles: transformational, transactional, and laissez-faire leadership. Among these, transformational and transactional leadership are particularly influential. Research indicates that transformational leadership is especially effective in managing public sector organizations; however, there is a relative scarcity of studies examining its impact within private sector contexts (Nofal & Jaradat, 2020).

Transformational leadership is characterized by its ability to motivate and engage followers, fostering a sense of commitment to organizational goals. This leadership style encourages individuals to prioritize the collective interests of the group over their personal ambitions (Marinda, Sari & Supriyadi, 2018). In contrast, while transactional leadership focuses on exchanges and rewards, it may not inspire the same level of commitment or engagement as transformational leadership (Omar & Ali, 2009). The existing body of research underscores the need for further exploration of transformational leadership's effects in private sector organizations, as understanding these dynamics can enhance organizational performance and employee satisfaction (Chen, Zhang & Liu, 2012; Tran & Vardi, 2023).

Leadership is a critical factor in shaping organizational outcomes, particularly employee job satisfaction, which influences performance and retention (Shkoler & Tziner, 2020). Among the widely recognized leadership styles, transformational leadership has emerged as a compelling approach due to its emphasis on inspiring, motivating, and fostering employee development (Kien & Konosu, 2023). While the positive impact of transformational leadership has been extensively studied in government and public sector contexts, there is a notable lack of research exploring its applicability and effects within private sector organizations in Malaysia (Michel, Kuenzi & Kearney, 2010). Private sector companies operate in dynamic and competitive environments, where leadership styles must adapt to complex demands (Ellington, 2023).

Despite the increasing reliance on transformational leadership to drive employee satisfaction and productivity, the specific relationship between transformational leadership and job satisfaction among private sector employees in Malaysia remains underexplored (Bedi et al., 2015). This gap in knowledge limits the ability of private sector leaders to implement evidence-based strategies for fostering job satisfaction and achieving organizational success (Michel, Kuenzi & Kearney, 2010).

This study addresses this gap by investigating the relationship between transformational leadership style and job satisfaction among employees of a private sector company in Serdang, Selangor, Malaysia. By focusing on this understudied context, the research aims to provide valuable insights to both leadership scholars and practitioners, contributing to more effective leadership practices in Malaysia's private sector (Alsulami, 2019).

The aim of the study is to investigate the influence of transformational leadership style on job satisfaction among private-sector company in Serdang, Selangor. The following chapters in this paper discuss about the conceptualisation of job performance and transformational leadership, findings and results and discussion and conclusion.

Job Performance

Job performance refers to the effectiveness with which an individual fulfills their role and responsibilities within an organization, contributing to the achievement of organizational goals (Campbell, 1990). It encompasses a wide range of behaviors and outcomes, often categorized into task performance, contextual performance, and adaptive performance (Borman & Motowidlo, 1997). Task performance pertains to the core activities directly related to an employee's job description, such as producing goods, delivering services, or completing specific assignments (Podsakoff et al., 2009). Contextual performance, on the other hand,

involves behaviors that go beyond formal job requirements, such as demonstrating teamwork, showing initiative, and contributing to a positive work environment (Salanova & Schaufeli, 2008). Adaptive performance highlights an employee's ability to adjust to change and address new challenges effectively (Schmitt & Chan, 1998).

Several factors influence job performance, including individual characteristics, workplace environment, and leadership style (Yukl, 2013). Skills, knowledge, and abilities are intrinsic factors that affect an individual's capability to perform their tasks (Zaccaro & Klimoski, 2001). At the organizational level, clear communication, supportive leadership, and adequate resources create an environment conducive to high performance (Tziner & Vardi, 2003). Among these factors, leadership style plays a pivotal role, as it can motivate employees, shape workplace culture, and set expectations (Wang et al., 2011).

In the context of transformational leadership, job performance is often enhanced as leaders inspire employees to exceed expectations by fostering a sense of purpose, providing intellectual stimulation, and offering individualized support (Judge & Piccolo, 2004). Employees are more likely to demonstrate both task and contextual performance when they perceive their leaders as empowering and visionary (Borman & Motowidlo, 1997). Understanding job performance in this comprehensive manner is crucial for organizations aiming to align individual efforts with strategic objectives and achieve sustainable growth.

Transformational Leadership

Transformational leadership distinguishes itself from both historical and contemporary leadership theories by emphasizing the involvement of followers in organizational activities aimed at achieving shared goals and benefits. This leadership style motivates individuals to honor their commitments and renew their dedication (Afshinpour, 2014). The leader prioritizes the collective good over personal interests, inspiring and transforming followers to enhance their performance (Samad & Yusof, 2015).

According to Burns (1978) and Obiwuru et al. (2011), transformational leaders encourage their followers to prioritize the group's or organization's interests above their own. Furthermore, this leadership style is characterized by interactions that elevate followers' motivation and ethical standards. Transformational leaders promote intellectual development, foster team confidence and spirit, and ignite passion by energizing and inspiring followers to pursue organizational objectives (Aydin, Sarier & Uysal, 2013; Samad & Yusof, 2015).

Conceptualising Transformational Leadership and Job Performance

Transformational leadership is characterized by its focus on engaging followers in the pursuit of shared organizational goals, thereby fostering a sense of commitment and collective purpose. This leadership style encourages individuals to transcend their self-interests for the benefit of the group, motivating and inspiring them to enhance their performance (Hu & Liden, 2013). The essence of transformational leadership lies in its ability to shift followers' perspectives, prompting them to consider what they can contribute to the organization rather than what the organization can provide for them (Hu & Liden, 2013). This paradigm shift not only enhances individual performance but also elevates organizational creativity and

innovation, establishing transformational leadership as a more effective approach compared to transactional leadership in achieving these outcomes (Hu & Liden, 2013).

The impact of transformational leadership on job performance is further supported by empirical evidence indicating that it serves as a stronger predictor of positive work environments compared to job demands and resources (Seljemo & Haug, 2020). Transformational leaders create a psychosocial work environment conducive to high performance, which in turn enhances job satisfaction among employees (Seljemo & Haug, 2020). Moreover, research has shown that transformational leadership significantly contributes to employee engagement, which is closely linked to job performance (Breevaart & Zacher, 2013). By fostering a culture of engagement, transformational leaders empower their followers to take ownership of their roles, leading to improved performance outcomes.

In the context of healthcare, for instance, transformational leadership has been associated with enhanced patient safety culture, highlighting its relevance across various sectors (Seljemo & Haug, 2020). This leadership style not only motivates employees but also encourages them to work collaboratively towards common objectives, thereby optimizing overall organizational performance (Dappa & Okwu, 2019). The interplay between transformational leadership and job performance underscores the importance of leadership in shaping organizational dynamics and achieving strategic goals. Hence, it is hypothesised that:

H1: Transformational leadership significantly influences job performance.

Research Framework



Figure 1. Research Framework

Methodology

In this study, a quantitative correlational research design is employed to assess the levels of key variables and to explore the relationship between transformational leadership style and job satisfaction among employees. This methodological approach is particularly suited for identifying patterns and associations between variables, allowing for a clearer understanding of how transformational leadership may influence job satisfaction within the organizational context. The target population for this research comprises non-managerial employees working in a private sector company situated in Serdang, Selangor. This focus on non-managerial staff is intentional, as it provides insights into the perceptions and experiences of employees who are directly impacted by leadership styles but may not have the authority to influence leadership practices themselves. By concentrating on this demographic, the study aims to capture a comprehensive view of how transformational leadership affects job satisfaction at various levels of the organization.

To ensure a representative sample, a simple random sampling technique is employed. This method is advantageous as it minimizes selection bias and enhances the generalizability of the findings. A total of 130 employees were selected to participate in the study, providing a robust sample size that is adequate for statistical analysis. The use of questionnaires as the primary data collection tool allows for the efficient gathering of quantitative data, which can be systematically analyzed to draw meaningful conclusions.

The questionnaires administered to the respondents are designed to measure both transformational leadership behaviors and levels of job satisfaction. These instruments are carefully constructed to ensure validity and reliability, incorporating established scales that have been previously validated in similar research contexts. Once the data is collected, it is recorded and analyzed using the Statistical Package for the Social Sciences (SPSS), a widely used software for statistical analysis in social science research.

Data analysis in this study primarily involves simple linear regression, which is utilized to test the hypotheses and answer the research objectives. This statistical technique allows for the examination of the relationship between the independent variable (transformational leadership style) and the dependent variable (job satisfaction). By employing simple linear regression, the study aims to determine the extent to which transformational leadership predicts job satisfaction among the employees surveyed. The results of this analysis will provide valuable insights into the effectiveness of transformational leadership in enhancing employee satisfaction, thereby contributing to the broader understanding of leadership dynamics within the private sector.

Preliminary Findings

Table 1

Simple Linear Regression Analysis Results

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
Transformational Leadership	0.472	0.035	0.505	13.548	0.000

As illustrated in Table 1, a simple linear regression analysis was conducted to assess the impact of transformational leadership style on job satisfaction among employees working in a private sector company located in Serdang, Selangor, Malaysia. This statistical method was chosen due to its effectiveness in examining the relationship between a single independent variable—in this case, transformational leadership—and a dependent variable, which is job satisfaction. The primary objective of this analysis was to determine whether transformational leadership could be considered a significant predictor of job satisfaction within the context of the selected organization.

The results of the regression analysis revealed a strong positive relationship between transformational leadership and job satisfaction, as indicated by a t-value of 13.548. This t-value is substantially higher than the critical value typically required to establish statistical significance, suggesting that the influence of transformational leadership on job satisfaction is not only present but also robust. Furthermore, the associated p-value of 0.000 indicates that the results are statistically significant at conventional levels (e.g., $p < 0.05$), providing

strong evidence to reject the null hypothesis, which posited that there is no relationship between transformational leadership and job satisfaction.

These findings align with existing literature that emphasizes the positive effects of transformational leadership on various employee outcomes, including job satisfaction. Transformational leaders are known for their ability to inspire and motivate employees, fostering an environment where individuals feel valued and engaged in their work. This engagement is crucial for enhancing job satisfaction, as employees who perceive their leaders as supportive and visionary are more likely to experience higher levels of morale and commitment to their roles.

The implications of these results are significant for organizational management and leadership development. Given the demonstrated influence of transformational leadership on job satisfaction, organizations should consider investing in leadership training programs that emphasize transformational leadership qualities. By cultivating leaders who can effectively inspire and engage their teams, organizations can enhance employee satisfaction, which is linked to improved job performance, lower turnover rates, and overall organizational success.

In conclusion, the findings from this regression analysis provide compelling evidence that transformational leadership plays a critical role in shaping job satisfaction among employees in the private sector. Future research could further explore this relationship across different industries and cultural contexts to validate and expand upon these findings.

Preliminary Conclusion and Recommendation

The results of this preliminary study offer empirical support for the assertion that transformational leadership has a significant impact on job satisfaction among employees in a private sector organization located in Serdang, Selangor. The findings confirm a positive relationship between transformational leadership and job satisfaction, consistent with previous research that emphasizes the effectiveness of this leadership style in enhancing employee motivation, morale, and overall satisfaction. Transformational leaders are instrumental in improving job satisfaction through their capacity to inspire and support their teams, which is a crucial factor in achieving organizational success.

In light of the competitive and ever-changing landscape of the private sector, these findings highlight the necessity of adopting leadership styles that focus on employee engagement and satisfaction to enhance organizational performance. Several recommendations for future research and practice include:

1. **Broadening Research Across Sectors:** Future studies should aim to encompass a variety of private sector industries and regions within Malaysia to validate and generalize the findings of this research. Comparing outcomes across different sectors can yield deeper insights into the widespread applicability of transformational leadership.
2. **Inclusion of Additional Factors:** Future research should explore other elements that affect job satisfaction, such as workplace culture, organizational support, and employee demographics, to develop a more comprehensive understanding of the factors influencing job satisfaction.

3. Longitudinal Research: Conducting longitudinal studies will provide insights into the long-term effects of transformational leadership on job satisfaction and its relationship with employee performance and retention.
4. Leadership Development Initiatives: Organizations should establish training and development programs aimed at fostering transformational leadership qualities among their managers and supervisors. These programs can focus on skills such as vision-setting, intellectual stimulation, and individualized employee support.

By adopting these recommendations, researchers can contribute to the body of knowledge in organizational development, particularly in the domains of leadership and job satisfaction. Practically, private sector organizations in Malaysia can leverage the advantages of transformational leadership to cultivate a satisfied and productive workforce.

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