Research Paper

The effects of Transformational Leadership on Job Satisfaction: A study on four and five Star Hotels in Kuala Lumpur

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Abstract

Transformational leadership is known to be an important perquisite for establishing and sustaining a satisfying relationship with the employees in different industries. There are few studies which have investigated the effect of Transformational leadership components on satisfaction of employees especially in Hotel Industry of Malaysia. Therefore, the present study intends to investigate the effect of Transformational leadership components (Charisma, Individual consideration, Intellectual stimulation) on employee satisfaction in Hotel Industry in Malaysia. In order to fulfill the objective of this study, a self-administered questionnaire was utilized to collect data from a randomly chosen sample of 100 receptionist office workers of 4 and 5 star hotels in Kuala Lumpur. The data collected was subjected to reliability test, and multiple regression analysis using SPSS Version 21.0. The research found that all of the Transformational leadership components which Charisma, Individual consideration, Intellectual stimulation positive and significant in influencing employee job satisfaction in Hotel Industry in Malaysia.

Key Terms: Transformational Leadership, employee satisfaction, Five and Four Star Hotel

1. Introduction

Unlike a few decades ago, the aims of a contemporary business is not only to provide satisfaction to customers and increase their market share, but also to be an appealing and satisfying work place for their employees. Employee satisfaction has become one of the most challenging aspects of today's management due to its importance to both the firm and the employees themselves. Some argue that the job satisfaction theory in fact stemmed from Maslow's hierarchy of needs as a motivation theory. According to (Akehurst, Comeche, & Galindo, 2009) job satisfaction is the amount of belief and emotional attachment the workers have towards their respective organizations. In the perspective of the organization, the benefits of job satisfaction could be the increased retention rates and also higher productivity from motivated workers. Furthermore there is also a financial aspect to job satisfaction for the organization because due to lower staff turnovers, there is lower recruitment and training costs and hence a higher profit margin. (Bulgarella, 2005) asserts that motivated employees will...
show job satisfaction by treating and serving the customers better, hence increasing the customer satisfaction levels. Furthermore, studies have proven that employees that are satisfied are more likely to be better involved in teamwork as compared to unmotivated employees (Griffin, Patterson, & West, 2001). The initial step towards successful job satisfaction is to understand what actually motivates employees, and then implementing and eliminating other aspects that unmotivated, resulting in desirable behavior from the employees. According to (Locke, 1976) there are 4 classes of aspects that influence job satisfaction in a company. They are:

- The process of recruiting and selecting
- Reward and recognition process
- The personality of each employee
- Style of leadership

Among these four aspects of employee satisfaction, the most important is leadership style. Leadership as a topic is very vast since almost every person is either being influenced by a leader or is influencing other by being a leader. Over the past years various factors of leaders such as behavior, style, traits and effectiveness have been analyzed. Since it has been determined that good leadership has a positive influence of both the followers and the company, there has been extensive research on this field to understand better the traits and behavior that can lead to success. According to (FATT, 2004) the definition of leadership is to influence his/her subordinates in such a manner that helps them achieve their goals. The style of leadership is a key aspect that defines job leadership. Furthermore, many have developed various perspectives and theories regarding leadership. Bass (1985) stated that there are two varieties of leadership, transformational and transactional. The transactional leader concentrates of supervising, organizing and the performance of the group while being concerned about the status quo of everyday progress towards the intended objectives. Transformational leaders however are those who try to motivate the behavior of their followers in order to achieve a shared goal. Transactional leadership has its limits in terms of structures, processes and goals however transformational leadership is more oriented towards change. Although there were many leadership theories present, there was still a need for more research. The existence of organizations in Malaysia in the future is largely dependent upon how willing and able they are to adapt to the rapidly changing environment and increasing competition levels. Therefore the focus of this study lies on the change oriented transformational leadership.

In the last century or so, one of the most booming industries is tourism. Trends have shown a great increase in tourism for the past 10 years (Malaysia, 2013). Malaysia is one of the tourism’s targets in Southeast Asia and attracts millions of tourists. This case notes that hotels are one of the most important service providers for tourists. This means that the employees of the hotels directly affect the customer satisfaction levels. This means that employees who are satisfied can influence the whole industry. As discussed above one of the main factors influencing job satisfaction is the style of leadership (Chen, Beck, & Amos, 2005). Managers and supervisors play a key role in the satisfaction levels of the employees. People who leave the organization do not do so because of the company, but because of their boss. This proves that leadership is a key to employee satisfaction. The relationship between job satisfaction and transformational leadership in the Malaysian hotel industry is still not researched in depth. The aim of the research study may be summarized by the following three research objective;

1. To examine the effect of the Charisma on employee's job satisfaction
2. To examine the effect of individual consideration on employee's job satisfaction
3. To examine the effect of intellectual simulation on employee's job satisfaction

This paper is organised as follows: first part is discussed above. Second part is the theoretical framework and research hypothesis development. Third part discusses the research design and methodology, data collection procedures and process. Fourth part presents the
results and discussion. Final part is conclusion and recommendation, and implication for further research

2. Literature Review

2.1. Definitions of Key Concepts

Job satisfaction has been of interest to many researchers. According to (Porter, Steers, Mowday, & Boulian, 1974) job satisfaction is the most measured variable in organizational work and is hence an important aspect to study in terms of differentiation. Many researchers study job satisfaction in relation to other variables such as quality of service, work attitudes, leader associations, organizational performance and culture (Voon, Lo, Ngui, & Ayob, 2011). High job satisfaction level leads to higher positive outcomes such as increased productivity, performance, innovation, and on the other hand dissatisfied workers lead to negative impacts (Kim, 2005). Those employee who are not satisfied will look for ways to exit their current organization and find better working conditions that satisfy the. (GALANOU, 2010) stated that in the case that a dissatisfied employee is unable to find a better alternative, they will not be cooperative with the management and not be connected to the organization at an intrinsic level despite continuing to work there. Many researchers like (Kinnie, Hutchinson, Purcell, Rayton, & Swart, 2005) concluded that there was a significant relationship between the level of job satisfaction and the outcomes.

Gill & White (2009) recognized that leaders help to stimulate, propel, support, and perceive their adherents keeping in mind the end goal to get the required results. “Leadership is an all inclusive human behavior” (Bass, 1981). There are a wide range of styles of leadership. (AM MOSADEGH, 2003) had called attention to taking after styles of leadership: autocratic, bureaucratic, laissez-faire, charismatic, democratic, participative, situational, value-based, and transformational leadership.

2.3. Review current literature on Transformational Leadership

Burns (1978) was the first individual who gave the idea of transformational leadership. He asserted that transformational leadership is seen when leaders urged their followers to raise the level of their ethics, inspiration, convictions, perceptions, and coalition with the goals of the firm. (Avolio & Bass, 1995) supported the concepts of Burns and partitioned transformational leadership into four categories namely charismatic role modeling, individualized attention, motivational inspiration, and intellectual incitement. Charismatic leaders are the individuals who with pride, confidence and admiration, urge laborers to have their own individualistic thoughts. Inspiration is the ability to spur supporters to meet high standards. Leaders use intellectual incitement to urge their workers to be inventive in their critical thinking. What's more, individualized thought is the level of individual consideration and motivation for self-advancement that a leader dedicates to the workers (Bass, 1985).

Transformational leadership is frequently being depicted as a methodology of rousing change and engaging co-workers to upgrade themselves and their firm. It urges supporters to acknowledge obligation and to be responsible towards it. van Riel, Schepers, Wetzels, & de Ruyter (2005) asserted that transformational leaders permitted representatives to think innovatively, dissected the issue from various points and investigated new and better arrangements of the issue by utilizing the available technology. Gill, Flaschner, & Shachar (2006) guaranteed that associations can decrease occupational stress and fade away while incorporating transformational leadership.

There are many measures of observational proof to demonstrate that transformational leadership yield much advantages to associations. Transformational leadership hypotheses can give a comprehension of how leaders can adequately deal with their authoritative information
Transformational leadership is in light of what the leader has achieved and his relationship with the group. The transformational leader can bring about positive effects to an association (DuBrin, 2004). The change can be shown over quite a few circumstances. Taking into consideration the point that the transformational leader can build the bunch's mindfulness on the significance and estimations of prizes; in addition urges individuals to look past their excitement toward oneself for the benefit of the group and the association. Transformational leaders are additionally the individuals who help individuals hunt down fulfillment and to comprehend the requirement for authoritative change. They pass on a feeling of direness to their administrators and are regularly dedicated to enormity while embracing a long haul point of view, and fabricate trust (DuBrin, 2004).

Transformational leadership is unique in relation to transactional leadership mainly because it focuses on advancement along with development, strength, approval, confidence and complement. It likewise focuses on advancing progress and logical reasoning. Transformational leaders bear in the preparation for diversity furthermore adequately when compared to the rest. These leaders distinctly characterize stuff and nurture the rest. They almost don’t separate on the basis of creed, color, cult, gender, age and status in the society (Chemjong, 2004). Moreover, transformational leadership advances the impact of transactional leadership on supporters (Bass, 1985) by altering their individual morals keeping in mind the end goal to backing the hierarchical points and conception. They attain to this by making an environment of certainty, which helps in sharing of common interests.

Bass (1985) alluded to the bond between the transformational leader with his representatives, which has been spoken to by mystique (ideal impact), rousing leadership, individual concern and learned incitement. Interestingly, Posner & Kouzes (1988) concepts rely upon the representatives’ faith in the leader, which assists in including workers in achieving normal viewpoints. Transformational leadership is associated with variation, innovativeness and spearheading, as transformational leadership is attained by means of distinguishing and also through the requirement for crisp perseverance and delivering new view towards authoritative variation. This has been characterized by Yammarino & Dubinsky (1994) who stated that transformational leadership is the particular case that inspires followers to accomplish more than they are relied upon to do in a manner that updates the people’s level of attention to the significance and estimation of yields and how they are created.

2.4 Conceptual Framework

![Conceptual Framework Transformational Leadership and Job Satisfaction](image)

**Charismatic Leadership:** This sort of leader must outfit with abnormal state of certainty, solid conviction, want for force, eager to scarify for associations. A leader can utilize imaginative systems to achieve authoritative objectives, and a leader needs to stress on qualities of belief system, esteem, and incomparable objective (Grundstein-Amado, 1999). A leader needs
to construct a decent illustration and confidence that should be able to comprehend the needs and values of its supporters. Meanwhile, a leader can also persuade adherents by activities and words, and diminish their faithfulness to the associations.

**Individualized Consideration:** This sort of leader concerns with the individual needs, attributes, and capacities, persuades adherents with trust and strengthening, and assembles a hierarchical society which can help singular improvement (Purvanova, Bono, & Dziewczynski, 2006). The leader gives steady responses and joins people's necessities with the authoritative capacity. He indicates individual enthusiasm for devotees' necessities of development and accomplishment (Avolio et al., 2008). In order to accomplish this, a leader goes about as an official as well as an administrator. The leader aids in adding to the devotee's capacities to get large amounts of possibility. A leader should treat individual contrasts in the midst of his supporters as far as their requirements and longings. He assumes a two-fold part through successful interaction with the followers (Avolio et al., 2008). A transformational leader could add to his adherents' capacities by assigning undertakings and covertly viewing those being actualized so he can guarantee the measure of help and supervision required. Moreover, the beneficial outcome of individualized thought and transformational practices lies in enabling supporters (Behling & McFillen, 1996). Also this quality could be estimated by the leader's enthusiasm for the adherents' requirements for advancement and development, and him being mindful so as to prepare and aid those (Bass, 1999).

**Intellectual Stimulation:** This sort of leader inspires supporters through the calculated improvement of considering, conviction and qualities. A leader needs to urge supporters to treat issues with another and general perspective, and anticipates that they will advance their capacities constantly in manage issues. Transformational leadership empowers people to have the capacity to be imaginative and excellent by acquainting thoughts and early arrangements with issues (Avolio, Bass, & Jung, 1999). But; it points out at the judiciousness and updated methodologies for supporters to take after. It re-assesses previous convictions and morals and takes a gander at challenges as issues that require to be solved and looks for consistent answers for these issues. Transformational leadership does not reprimand devotees openly for their missteps. Rather, it gives them challenging undertakings and urges them to tackle issues by employing methods that they prefer.

### 3. Research Design and Methodology

**Research approaches**

This research adopted an explanatory research combined with descriptive research. The researcher is a cross-section study, where data is collected from multiple points within a given period of time.

**Subjects**

A total of 130 questionnaires were distributed and a total of 123 questionnaires were returned (response rate 95%). However, some of these returned the survey forms were rejected as respondents fails to complete all the parts. This means the study only used 100 completed questionnaires, where 55 respondents were male (55%) and 45 respondents of the sample of 100 were female (45%). Among the respondents 44% are single and 56% are married. 22% respondents are below 25 years, 34% of respondents are aged between 26-35 years. 22% respondents are aged between 36-45 years. 18% respondents are aged between 46-55 years. 4% respondents are 56 years and above. 76% of respondents hold a diploma, followed by 65% respondents with undergraduate degree, and finally 15% respondents holds a master degree.
Procedure

The researchers independently contacted the respondents or staff using stratified convenient sample based on the approximate numbers of staff working in the chosen organisation. These staffs were informed by HR and line managers whether they would like to participate in the survey. If they agreed, then the survey questionnaire was given to them and briefs them about the survey and its purposes. Additionally, permission from the organisation was obtained to meet the employees during break hours and also during the work hours with the help of immediate managers. A time period of three weeks were taken to collect data. The completed questionnaires were collected by the researchers and a follow up were made on the following week during the same hours during their work and lunch hours.

Measures

The questionnaire comprises of an introduction and two parts. The cover letter gives some information about the research. Section A consists of five questions which cover background details of respondent including their Age, gender, marital status, education background and nationality. The questionnaire will be presented in dual languages, Malay and English. The original questionnaire will be translated from English to Malay; done by an individual whose native language is Malay and who is fluent in English as well. The questions will be pretested before distrusted among target respondents. Each of the items in part two are anchored on a five-point Likert scale ranging from “strongly disagreed” (1) to “strongly agreed” (5) to measure the respondents level of agreement with the posed items.

Part two was developed from the relevant literature and information received from experts of academia and industry. This part measures the transformational leadership in hotel Industry. Four items measure individual consideration; four items measure intellectual stimulation, four item measures charisma, four items measure intrinsic satisfaction. This study used Mohrman-Cooke-Mohrman’s Job Satisfaction Scale (MCMJSS) which is adopted by Al-Omari (2008) to measures intrinsic employee’s job satisfaction.

4. Results and Discussion

Normality of Scale

Based on the result of normality (Table 1), P-Value of Kolmogorov test is 0.200 which is more than 0.05. Thus, data distribution is considered to be normal. The P-Value of Shapiro-Wilk is 0.496 which is more than 0.05. Thus, the data distribution is normal.

<table>
<thead>
<tr>
<th>Table 1-Normality of Data(scale)</th>
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<tbody>
<tr>
<td>Kolmogorov-Smirnov</td>
</tr>
<tr>
<td>Statistic</td>
</tr>
<tr>
<td>Standardized Residual</td>
</tr>
</tbody>
</table>

a. Lilliefors Significance Correction

* This is a lower bound of the true significance.

Scale Reliability

Cronbach’s alpha is the most recognizable and basic measure of unwavering quality. Cronbach’s alpha infers how well the things are identified with one another in an arrangement or gathering (Uma & Roger, 2003). At the point when Cronbach’s alpha is more like 1, it infers that the inner consistency reliability is high. Reliabilities under 0.6 are translated as poor though those in scope of 0.7 are considered as worthy and reliabilities and more than 0.8 are
seen as great (Sekaran & Bougie, 2010), classified the reliability coefficient, Cronbach’s alpha, as indicated in Table 2.

<table>
<thead>
<tr>
<th>Table 2-Internal consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cronbach’s Alpha</strong></td>
</tr>
<tr>
<td>a &lt; 0.6</td>
</tr>
<tr>
<td>0.6 &lt; a &lt; 0.8</td>
</tr>
<tr>
<td>a &gt; 0.8</td>
</tr>
</tbody>
</table>

Source: Sekaran and Bougie (2010)

In this study the Cronbach's Alpha in Table 2 of all question under transformational leadership is 0.903 suggesting that this scale is good. For this study, the Cronbach's alpha scale for Satisfaction is (0.758), Individual consideration (0.800), and Charisma (0.872), suggesting that the entire item in the scale are reliable.

<table>
<thead>
<tr>
<th>Table 3 - Reliability Statistics for each Variable</th>
</tr>
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<tbody>
<tr>
<td><strong>Variable</strong></td>
</tr>
<tr>
<td>Overall Scale</td>
</tr>
<tr>
<td>Satisfaction</td>
</tr>
<tr>
<td>Individual Consideration</td>
</tr>
<tr>
<td>Charisma</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
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</tbody>
</table>

**Correlations**

In order to examine whether the relationship between Charisma, Individualized Consideration, Intellectual Stimulation and employee satisfaction is positive or negative, Pearson correlation was carried out. The results of Table 4 show that correlation coefficient for Charisma, Individualized Consideration and Intellectual Stimulation are 0.575, 0.647, and 0.575 respectively. This shows that Charisma, Individualized Consideration and Intellectual Stimulation have positive and significant relationship with job satisfaction. It is also found that the correlation coefficient values of transformational leadership with job satisfaction is significant (where P<0.05).

<table>
<thead>
<tr>
<th>Table 4-Correlation coefficients of TL and Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Variable</strong></td>
</tr>
<tr>
<td>Individualized Consideration</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
</tr>
<tr>
<td>Charisma</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2-tailed).

**Regression**

In this study, multiple regression analysis has been used to provide better understanding regarding the relationship between job satisfaction as the dependent variable and dimensions of transformational leadership namely Charisma, Individualized Consideration and Intellectual Stimulation as the independent variables in Hotel Industry in Malaysia. The regression equation is as below:

\[
\text{Job Satisfaction (SS) = } \beta_0 + \beta_1 \text{ (Charisma)} + \beta_2 \text{ (IC) +} \beta_3 \text{ (IS)} + e
\]
Table 5 shows that the value of R square which is 0.593. The adjusted R square is 0.58 indicating that 58% of the variation in job satisfaction can be explained through variation in Charisma, Individualized Consideration and Intellectual Stimulation. A general rule of thumb a good fit is considered to predict minimum of 60% variation of the dependent variable (Zygmont & Smith, 2014). Therefore this model is considered to be a poor fit. However the autocorrelation of this regression is potentially high. Similarly the F test conducted for this study gives a value of 46.621, proposing the F value for this study shows that the regression model is significant

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.770</td>
<td>0.593</td>
<td>0.580</td>
<td>0.84632</td>
<td>0.593 46.621</td>
<td>3 96 0.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Charisma, IS, IC
b. Dependent Variable: satisfaction

The Table 6 indicates that the transformational leaders (TL) has a significant and positive influence on job satisfaction. The P-Value for Charisma is 0.000 which is less than 0.05. Therefore, it can be concluded that Charisma is a significant predictor for employee satisfaction. The P-Value for Individualized Consideration is 0.000 which is less than 0.05. Therefore, it can be also concluded that Individualized Consideration is a significant predictor of job satisfaction. The P-Value for and Intellectual Stimulation is 0.000 which is less than 0.05. Therefore, it can be concluded that and Intellectual Stimulation is a significant predictor for Job satisfaction. Thus, the regression equation is as follows:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 \ldots + \beta_nX_n + \varepsilon \]

Job Satisfaction = 0.552(IC) + 0.289(IS) + 0.341(C) +0.84632 (ε)

The model shows that as every unit rise in charisma, employee job satisfaction will increase by 0.341 units, and other variables which are Individualized Consideration and Intellectual Stimulation remain same. Also when every unit rise in Individualized Consideration, employee satisfaction will increase by 0.552 units, and other variables which are charisma and Intellectual Stimulation continue to be unchanged. Similarly when every unit rise in Intellectual Stimulation, employee satisfaction will increase by 0.289 units, and other variables which are charisma and Individualized Consideration continue to be unchanged.

5. Conclusion and Recommendation
The main purpose of this research is to examine the influence of Transformational leadership on employee job satisfaction. The following conclusions were made.

There is positive and significant influence of individualized consideration. Similarly there is a significant and positive influence of individualized consideration on employee job satisfaction. This means if leaders more often engage in considerate behavior, it will increase employee job satisfaction.

There is a positive correlation between intellectual stimulation and employee job satisfaction. Also intellectual stimulation is positively and significantly influences employee job satisfaction. This means if managers or leaders engages in intellectual stimulating behaviour, it will have direct impact on increasing job satisfaction.

There is a positive correlation between charisma of the leaders and employee job satisfaction. Also this study found that increasing intellectual stimulating behaviour by leaders has positive and significant influence on employee job satisfaction. This means that if the leaders are more often engage in stimulating employees, it will directly increases employee job satisfaction.

**Future research**

To further investigate the relationship between transformational leadership and job satisfaction it is important to consider a fair proportion of employees from the industry. This will enable the researcher to generalize the findings. Therefore is important to increase the sample size and include more respondents to generalize the findings.

**References**


