

Transformational leadership and employee satisfaction

Mujkić, Alisa; Šehić, Dževad; Rahimić, Zijada; Jusić, Jasmin

Source / Izvornik: **Ekonomski vjesnik : Review of Contemporary Entrepreneurship, Business, and Economic Issues, 2014, XXVII, 259 - 270**

Journal article, Published version

Rad u časopisu, Objavljena verzija rada (izdavačev PDF)

Permanent link / Trajna poveznica: <https://um.nsk.hr/um:nbn:hr:145:791551>

Rights / Prava: [Attribution-NonCommercial-NoDerivatives 4.0 International/Imenovanje-Nekomercijalno-Bez prerada 4.0 međunarodna](#)

Download date / Datum preuzimanja: **2024-12-22**



Repository / Repozitorij:

[EFOS REPOSITORY - Repository of the Faculty of Economics in Osijek](#)



Alisa Mujkić
School of Economics and Business
Bosnia and Herzegovina
alisa.mujkic@efsa.unsa.ba
Phone: +38762378033

Zijada Rahimić
School of Economics and Business
Bosnia and Herzegovina
zijada.rahimic@efsa.unsa.ba
Phone: +38733275998

UDK 65.012.431 (497.6)
Preliminary communication

Received: September 9, 2014
Accepted for publishing: November 27, 2014

Dževad Šehić
School of Economics and Business
Bosnia and Herzegovina
dzevad.sehic@efsa.unsa.ba
Phone: +38733275943

Jasmin Jusić
High School of Economics
Bosnia and Herzegovina
jjasko@gmail.com
Phone: +38761817725

TRANSFORMATIONAL LEADERSHIP AND EMPLOYEE SATISFACTION

ABSTRACT

The main purpose of this paper was to carry out an empirical research on whether transformational leadership, in comparison to other contemporary leadership styles, contributes to higher employee satisfaction levels. In total, 399 respondents took part in this research, which was conducted in companies in Bosnia and Herzegovina and Germany. This was the starting point to identify the dominant leadership style in each of the two countries. Using a nonparametric Mann-Whitney test, it was proved that there is a statistically significant difference in employee satisfaction under transformational leadership as opposed to the transactional and charismatic styles. After a detailed research of the literature, it became apparent that research on this subject is scarce. Accordingly, presenting transformational leadership and its influence on employee satisfaction was a particular challenge.

Keywords: transformational leadership, transactional leadership, charismatic leadership, employee satisfaction

1. Introduction

Transformational leadership, as the name implies, is a process that changes and transforms people within a group. Leaders who use this style motivate their followers to give and work more than they can or want to, even outside their capabilities (Northouse, 2010). Transformational leaders tend to have dedicated and satisfied followers. Furthermore, they empower their employees, pay attention to their needs and development, helping them grow their own leadership potential (Bass, Riggio, 2008).

One of the most relevant characteristics of transformational leaders is giving constructive feedback to their followers, as well as inducing additional effort with the aim of reaching organisational goals. These leaders are capable of convincing their followers to give up their own interests for the wellbeing of the collective. When followers equate their own success with the success of the organisation and when they identify themselves with the organisational values and goals, their will to cooperate attains a higher level with the aim of consciously creating a positive contribution in the context of their work (Bass, 1985).

By reviewing the literature it can be noted that transformational leaders tend to create a working environment with satisfied and motivated employees (Bass, Riggio, 2008; Marshall, 2008; Bycio et al., 1995; Chen et al., 2005; Fuller et al., 1996; Burns, 1978). This fact created a solid foundation for the aim of this paper, which is to establish whether transformational leadership generates higher employee satisfaction compared to other leadership styles, such as transactional and charismatic leadership. What is special about this research is that it was made in Bosnia and Herzegovina (BiH) and Germany. Consequently, this paper discovers the dominant leadership styles in BiH and Germany. The defined aim of the research contributed to setting the main hypothesis of the paper, which is H: **transformational leadership, compared to other contemporary leadership styles, contributes to higher employee satisfaction.** Responding to the set aims and the hypothesis of this research required using adequate instruments for statistic processing of collected data. The Standardised Multifactor Leadership Questionnaire (MLQ) was used, adapted to the needs of the research. A total of 399 respondents took part in the research: 199 from BiH and 200 from Germany.

2. Literature review

Transformational leadership

One of the most popular leadership approaches, which has been in the focus of research since the early eighties, is the transformational approach. This approach is part of the New Leadership paradigm, which pays great attention to the charismatic and emotional aspects of leadership. The foundation for the research of this, as well as the transactional approach, was laid by James MacGregor Burns (1978), who was studying the behaviour of political leaders and the ways they approach the power they have. The fundamentals of Burns' leadership were later improved by Bass and Avolio (1995), offering components of transformational leadership, known as the *Four I's*, meaning intellectual stimulation, idealized influence (charisma), individualized consideration and inspirational motivation. Each of these components is measurable with the Multifactor Leadership Questionnaire (MLQ), which has been used for the purposes of this paper in the quantita-

tive processing of collected data.

Authors Tichy and Ulrich (1984) stress the importance of transformational leadership as a response to the stagnation and regression of the world economy. They claim that a new brand of leadership is necessary, a brand that will transform organizations in the direction of success and sustainability. Leaders who use this transformation should be able to turn everything old into something completely new. Transformational leaders are innovators, positive deviants and "movers and shakers". They typically see things before others, use creative strategies to problem-solve challenges, and are not afraid to take risks to accomplish their dreams. These leaders go from one mistake to another with enthusiasm, knowing they are a step closer to fulfilling their vision (Marshall, 2011).

A great number of studies demonstrate a correlation between transformational leadership and emotional intelligence (Barling et al., 2000; George, 2000; Palmer et al., 2001). Generally seen, these studies indicate that emotional intelligence is the foundation for establishing excellent connections that are typical for transformational leaders. It is also a basic requirement for any kind of success (Mandrell, Pherwani, 2003). With the help of emotional intelligence, transformers stimulate organisational growth and development. Since transformational leaders are much more effective in the process of managing stress and conflicts than other leaders, they feel a greater dose of confidence in their capability to impact and control life events: thus, they are more capable of instilling focus, intellectual stimulation and motivation in their followers (Brown, Moshavi, 2005).

Employee satisfaction

On the other hand, job satisfaction is an aspect of work that depends on the individual person who can cultivate either positive or negative emotions towards his or her work (Schermerhorn et al., 1991). It represents the employee's emotional response towards the work assignments in accordance with his or her own physical fitness, as well as with workplace conditions, while Luthans (1995) claims that job satisfaction is a pleasant emotional state or positive attitude derived from valuing someone's effort in terms of achievements. According to expansive research, job satisfaction correlates with productivity, motivation, absence from work / being late,

accidents, mental / physical health and satisfaction with life in general (Landy, 1989). Other research connects satisfaction mainly with the motivation of the individual. Many theories on motivation have presented the role of job satisfaction as implied, while on the other hand, many theories on job satisfaction deal with explaining job satisfaction and its impact: Maslow, Hierarchy of Needs (1943); Herzberg, Two Factors Theory or Motivator – Hygiene Theory (1968); Adam, Equity Theory (1965); Locke, Discrepancy Theory (1969); Hackman and Oldham, Job Characteristics Theory (1976); Locke, Range of Effect Theory (1976); Bandura, Social Learning Theory (1977) and Landy, Opponent Process Theory (1978).

There are two types of job satisfaction based on the level of the employee's emotions towards work. The first and most studied one is overall work satisfaction, which refers to the employee's overall emotions towards work (for example: "Overall, I love my job.") The other type of job satisfaction refers to feelings towards specific work aspects, such as salary, benefits and the quality of the relationship with colleagues (for example: "Overall, I love my job, but my schedule is difficult to manage.") (Mueller, Kim, 2008).

According to Kerber and Cambell (1987), perspectives on job satisfaction can be used in identifying specific needs for business improvement. The results can benefit organizations in improving overall job satisfaction or explaining organizational matters such as high turnover. But, Syptak et al. (1999) consider the view that a happy employee is a productive employee a misconception. Research has not offered much backing to the idea that a happy employee is productive; moreover, some research suggests that the relation between cause and effect is in fact reverse, from productivity to satisfaction (Basset, 1994). The other misconception is that the salary is the key factor of employee satisfaction. In reality, employees are more satisfied in a pleasant working environment (Berry, 1997). An individual can have a well-paid job, but be highly unsatisfied, because he or she is bored and is lacking stimulation. In fact, a low paying job can be viewed as satisfactory, if it is challenging or stimulating enough. However, satisfaction in correlation with motivation can be viewed through five dimensions: mentally challenging work, justified / just award, stimulating working conditions, friendly colleagues and individual adjustment / congruency with work (Robbins, 2001).

Transformational leadership and employee satisfaction

When consulting the literature on the subject of contemporary leadership styles, it can be concluded that the transactional and transformational styles, as forms of contemporary styles, can be viewed as inseparable. Compared to transformational leadership, the area of influence of transactional leadership and its impact on followers is poorly researched, which surely creates and models space for future research and contribution to the scientific community. For this reason, transformational and transactional leadership styles are viewed together in this paper, but, considering the extensive literature and the focus of this paper, the emphasis is on the transformational style.

Transformational leadership is based on the claim that certain behaviour of leaders can result in followers attaining a higher level of thinking (Bass et al., 2003). It is a form of leadership style that encourages human behaviour and ethical aspirations of the leader and the one that is being led, while creating a transformational effect on both (Burns, 1978). This style is different from others exactly because of the tendency to change the *status quo* articulating to followers the problems in the current system, while exposing a convincing and strong vision of the organization's new appearance and function. It tends to keep the stability within the organization through regular economic and social changes through which it aims to reach specific goals of the supervisor and the follower (Lussier, Achua, 2009). By appealing to the ideals and values of the followers, leaders who apply this style inspire their employees to create new paths of behaviour through the process of problem solving. Most of scientific papers speak in favour of this, where a positive relation between transformational leadership and behaviour of the follower is proved (Fuller et al., 1996; Bycio et al., 1995; Judge & Piccolo, 2004). In their study, Bycio et al. (1995) have found a positive correlation between the transformational leadership style and employee satisfaction. As for the claim that the augmented application of the transformational leadership style generates better employee results, Bycio et al. think it is clear that transformational leadership is the dominant predictor of employee satisfaction. Bushra et al. (2011) argue in their research that transformational leadership has a significant positive effect on the level of job satisfaction in general. The same

study supports the view that adopting the transformational style of leadership leads to raising job satisfaction by 42%.

Using Structural Equation Modelling (SEM), authors Wan Omar and Hussin (2013) aimed to establish the connection between inspirational motivation, intellectual stimulation and individualized consideration with job satisfaction. A positive correlation was found between intellectual stimulation and job satisfaction, while individualized consideration was negatively correlated with the same variable.

The opinion that the transformational and transactional leaderships contribute to organizational success is inherent to many authors. The reason for this might indeed be that many research results bring in correlation these two styles and the behaviour of employees under these styles. Transactional and transformational leadership styles help in forecasting the employee satisfaction with their leaders (Laohavchien, 2009). But in certain situations, none of the styles guarantee the desired behaviour of the followers: in certain situation only certain dimensions of both styles (for example: literature shows that inspirational motivation as part of the transformational style is a dimension that is successful in times of social disturbances and the like) can show success. Following this path, Chen et al. (2005) in their study claim an affirmative connection between employee satisfaction with the dimension of contingent reward within the transactional style and individualized consideration within the transformational style (which is opposite to aforementioned research by Wan Omar and Hussin, where a positive correlation exists between intellectual stimulation and work satisfaction). In this context, research by Jansen et al. (2009) proves that transformational leadership significantly creates innovation, while transactional leadership improves current knowledge and exploits innovation. Passive management by exception, as a dimension of transactional leadership, can be negatively associated with employee performance. These non-effective leaders are passive in the sense of not engaging employees until the problem reaches a critical level. Their remoteness implies exclusion from the process of solving serious questions, avoiding making decisions and delaying the response on critical questions (Moore, 2007).

Regardless of the great amount of research, only a few of the studies examined how transformational (as well as transactional) leadership can predict effectiveness (Bass et al., 2003). That is why, for example, Howell & Avolio (1993) in their research claim that transformational style of financial managers positively correlates with financial performances in the period of a year. Geyer & Steyrer (1998) as well present the findings of their study implemented among managers of an Austrian bank. The research showed a stronger positive correlation of transformational leadership and long-term benefits of the company in comparison to the short-term performance. The mentioned positive correlation, as they claim, is caused by leaders who use the transformational style and it is a consequence of their creating of an inspiring, dedicated and cohesive culture in the bank that was the subject of the study. The research has also shown that more than 88% of leaders use the transactional type of leadership, but that only less than 12% of them are true transformational leaders (Shelton, 2012).

Transformational leadership is based on true trust, commendation, acknowledgment and encouragement on all the levels of influence which is evident in the trust the leader has in the capabilities of his followers. Research has also shown that his or her individual opinion about the work impacts the level of satisfaction (Scarpello, Vandenberg, 1992). If the individual opinion can be changed in order to get a higher level of satisfaction, it can reflect on the effective organizational level. That is why transformational leaders cultivate their own capabilities in changing opinions of their employees about the work they do, through inspiration and intellectual stimulation. Weiss & Crompazano (1996) argue that this is the exact reason of the positive effect of transformational leadership on employee satisfaction. On the basis of scientific observation of Mathieu & Zajac (1990) job satisfaction is in correlation with commitment to work, which makes it reasonable to expect that the effect of transformational leadership on the employee satisfaction is considered from the point of view of commitment to work. The strongest form of commitment to work is based on affection (Weiss & Crompazano, 1996), but commitment implies affection towards the organization, sharing the same goal with the organization, as well as a strong will to invest additional effort in fulfilling daily work assignments (Mathieu, Zajac, 1990).

3. Methodology

Participants

This research was carried out in the geographical area of Bosnia and Herzegovina and western Germany. The total number of collected surveys was 399 and divided into two groups: 199 entities were contacted from the territory of Bosnia and Herzegovina, while the remaining 200 respondents were part of the geographical area of western Germany. In order to collect data for this research, participants would have needed to complete an online Multifactor Leadership Questionnaire (MLQ). However, many studies point to the negative sides of this approach to data collection and this is why the authors decided to work in printed form and direct access to respondents, which certainly contributes to greater reliability. The way in which socially desirable responses were avoided was that the entities were not familiar with the details of the research.

During research in Bosnia and Herzegovina, more than twenty private companies with more than ten employees were contacted. This was done by personally visiting the companies, where decision makers (who at the same time had the authority to give their consent for carrying out the study) were presented with the research concept. Six companies declined to take part in the study, while 19 companies agreed to allow their employees to fill out the questionnaire.

A smaller number of private companies from Germany were contacted. Ultimately, 11 companies accepted to take part in the research. Contact with those respondents was performed in the same way as with those in Bosnia, and the research was presented in English.

In both cases, questionnaires were distributed during working hours, filled out immediately and collected. Every respondent took on average 15 minutes to fill out the questionnaire. After completion, the respondents were handed a special closed folder to place the filled out questionnaire in order to maintain anonymity. In Bosnia and Herzegovina, the research was carried out between January and June 2013, while in Germany this was done between January and October 2013.

Questionnaire

As previously mentioned, a structured questionnaire (MLQ) was used for the purposes of this study. The questionnaire originally contains 56 questions and consists of questions that measure perceptions that employees have about their leaders and managers (Bass, Avolio, 2006; Sehic, Penava, 2007). Since the main objective of this study was to demonstrate that the transformational style generates the highest level of employee satisfaction in relation to the transaction and charismatic leadership style, it was necessary to adapt the questionnaire to this objective. To explain the concept of an adapted questionnaire, the dependent and independent variables of the proposed hypothesis need to be explained. The hypothesis of this paper has two independent and one dependent variable. Here, the independent variables are transformational leadership and other known leadership styles which can be arbitrary, so the authors focused on other contemporary styles taking into account the transactional and charismatic styles. The independent variable transformational leadership was measured through two variables: intellectual stimulation and individualized consideration (with 8 items in total). Here, the intention was to prove whether the two variables affect the dependent variable satisfaction. In other words, the attempt was made to prove that leaders who intellectually stimulate and give individualized consideration to their employees can expect an increase in employee satisfaction compared to leaders who use the transactional or charismatic leadership style.

The second variable within the main hypothesis consisted of other known contemporary leadership styles, namely the transactional and charismatic leadership styles. The total number of items which measure these styles is 8. Based on a nonparametric test, their value was compared to the value of the transformational style. Apart from the mentioned group of questions, another group of questions called Demography was constructed; here, the respondents gave answers about their age, sex and education. The final version of the questionnaire was compiled in Bosnian for the area of Bosnia and Herzegovina and in English for the area of Germany.

In technical terms, the printed questionnaire contained 23 questions divided into three scales. The first scale of the questionnaire was formed in such a way that they assess the transformational leadership

style (scales of Intellectual Stimulation and Individualized Consideration) with 8 questions in total – as many questions as the second scale of the questionnaire which aimed to assess the transactional (scale of Contingent Award) and charismatic styles (scale of Idealized Influence). The third scale dealt with the assessment of employee satisfaction with four questions in total. In the fourth scale, respondents gave personal information on age, sex and education.

Criteria for persons included in the research: employed, aged between 25 and 50, resident of Bosnia and Herzegovina or western Germany, and not a decision maker in the organization.

4. Empirical results

The sample consists of N=399 respondents, aged from 25 to 50. Of the total 399 respondents, 255 are women and 144 men. 26 women and 13 men are high school graduates, while 94 women and 67 men are university graduates. 190 respondents hold a master's degree, of whom 130 are women and 60 men. Of the total 399 respondents, 5 women and 4 men hold a doctorate. Descriptive analysis of above facts is presented in Table 1.

The process of testing the research hypothesis of this study (H1: *transformational leadership, compared to other contemporary leadership styles, contributes to higher employee satisfaction*) was divided into several steps. First, we analysed the responses collected by surveys that were related to the evaluation of the leadership style which senior staff used in relation to the tested population. In this regard, a reliability test was done for 16 analysed scales (intellectual stimulation and individualized consideration as scales that measure transformational leadership, contingent reward as a scale that measures the transactional leadership, and idealized influence, a scale that measures the charismatic leadership). The reliability test demonstrated solid internal consistency with a value of $\alpha = 0.728$, which leads to the conclusion that there is a close connection between the internal scales that were analysed. Taking into account the satisfactory result of internal consistency, four new variables were created with their average values of mentioned leadership styles, as presented in Table 1.

Table 1 Mean values of leadership styles

Scale	Mean	Std. deviation
Intellectual stimulation	3.9881	.57999
Individualized consideration	4.0476	.81690
Charismatic leadership	3.0282	.77633
Transactional leadership	2.9975	.94393

Source: Author's calculation

Based on the mean value of Likert scale (from 1-strongly disagree, to 5-strongly agree), it can be concluded that employees feel that their senior staff are using more intellectual stimulation and individualized consideration as a component of transformational leadership style in relation to the charismatic and transactional styles. With this argument, the first requirement for proving the main hypothesis was satisfied: the tested population believes that their senior staff use transformational leadership style and this style is more dominant in relation to the transactional and charismatic styles.

The following analysis encompassed the use of independent t-test for the scales intellectual stimulation and individualized consideration. The aim was to compare the leadership styles of leaders in Bosnia and Herzegovina and Germany and Table 2 shows the obtained results.

Table 2 Independent t-tests for intellectual stimulation and individualized consideration

Independent t-test for intellectual stimulation			
Country	N	Mean	Std. deviation
Bosnia and Herzegovina	199	3.9050	.60751
Germany	200	4.0716	.53967
t = 2.896., df = 392, p = 0.148			
Independent t-test for individualized consideration			
Country	N	Mean	Std. deviation
Bosnia and Herzegovina	199	3.6338	.65302
Germany	200	4.4636	.75226
t = 2.896., df = 392, p = 0.148			

Source: Author's calculation

According to the presented analysis, employees in Germany rated their leaders as those who use intellectual stimulation and individualized consideration more in relation to the use of these dimensions by leaders in BiH. This result was expected, regardless of efforts to avoid socially desirable responses during the research.

The next step of testing the main hypothesis was to prove that the transformational style contributes to a higher level of employee satisfaction than the transactional and charismatic leadership styles. Two groups of independent variables were created: the transformational group and the transactional-charismatic group. Values within groups were the mean of each style, and the mean of the satisfaction variable has been taken into consideration too. We used the nonparametric Mann-Whitney test because of disturbed data normality, since the regression model showed an unacceptable value of R Square.

The first requirement to show that the transformational style creates a higher level of employee satisfaction than other contemporary leadership styles (transactional and charismatic) was the analysis of p values. In this case the value should be $p < 0.05$ and the values are presented in Table 3.

Table 3 Mann–Whitney test

Satisfaction Mean	
Mann-Whitney U	5509.500
Wilcoxon W	6835.500
Z	-4.460
Asymp. Sig. (2-tailed)	.000

Source: Author's calculation

The table 3 shows that the first condition has been satisfied: the p value is less than 0.05 ($p = .000$). This means that satisfaction is significantly different for employees affected by the transformational in relation to other contemporary styles (transactional and charismatic). The larger sum of ranks was necessary in the following analysis to confirm the main hypothesis. These values are presented in Table 4.

Table 4 Sum of ranks for transformational, transactional and charismatic style

Leadership style		N	Mean of ranks	Sum of ranks
Satisfaction mean	Transactional and charismatic	51	134.03	6835.50
	Transformational	348	209.67	72964.50
	Total	399		

Source: Author's calculation

The values of sum of ranks, as already mentioned, have been considered in Table 4. In this case, these values are much higher in the transformational style group, as opposed to the transactional and charismatic styles. Undoubtedly, the following can be argued: satisfaction is significantly higher in the transformational style group than in transactional and charismatic group. Taking into account all obtained information, it can be stated that the analysis concluded the following:

- tested entities have evaluated the leadership style of their senior staff as transformational;
- the data show that transformational leadership is the dominant style among leaders in Germany compared to the leadership style of BiH leaders;
- the results of the research indicate that the transformational style contributes to higher levels of employee satisfaction compared to the transactional and charismatic styles.

Based on the aforementioned, we can confirm the main hypothesis of the paper, which is *transformational leadership, compared to other contemporary leadership styles, contributes to higher levels of employee satisfaction.*

5. Conclusion

Transformational leadership arises as a synthesis of all previous styles, both in a theoretical and practical way. Thus it is only natural to expect that this model of leadership, seen through the prism of time, will take the lead role in future research, especially thanks to its comprehensive dimensions which are one of the focal points of this research. Moreover, lack of research analysing the impact of transformational leadership on employee satisfaction was the main motive of this paper.

Results of this research first and foremost show that the tested population feels that their immediate superiors mainly use the transformational leadership style compared to the transactional and charismatic styles. This is proved by the mean value, which, for the dimensions of transformational leadership, is around 4.0, while the value is around 3.0 in the case of the transactional and charismatic styles. This result enabled the analysis of dominant leadership styles of leaders in BiH compared to leaders in Germany, which was one of the aims of this paper. Thus, based on an independent t-test, the dominance of each style in both of the countries was analysed. Primarily, intellectual stimulation, as a dimension of the transformational style, was analysed, and the mean value for Germany is somewhat higher than for BiH (4.0716 vs. 3.9050). This shows that the transformational style, represented by the dimension Intellectual stimulation, is more dominant in leaders in Germany, even though the difference is not significant enough to say there is a definitive dominance of this dimension in leaders in Germany. The mean results of the dimension Individual consideration are somewhat better than the dimension Intellectual stimulation. In this case, the value for Germany is 4.4636, and for BiH 3.6338. Thus, it can be said here that this dimension, as an indicator of the transformational style is more dominant in leaders in Germany compared to leaders in BiH in the observed sample. Generally speaking, when it comes to the results of the independent t-test, it can be said that based on the observed sample, leaders in Germany apply the transformational leadership style compared to leaders in BiH.

The main hypothesis of this paper, *transformational leadership, compared to other contemporary leadership styles, contributes to higher levels of employee satisfaction*, was mainly analysed through regression analysis. Due to an exceptionally bad R Square value, this analysis could not be taken into account, so the analysis was approached using a nonparametric Mann-Whitney test and the Sum of ranks. An acceptable value of the Mann-Whitney test should have been $p < .005$, and in the case of this research, it was $.000$. Thus, the first condition for proving the main hypothesis was met, so the next condition was a higher sum of ranks for the transformational leadership compared to the two other observed leadership styles. This analysis shows a far higher sum of ranks value for the transformational leadership (72964.50) compared to the group called contemporary leadership styles (transactional and charismatic). As much of the research on the subject claims, here too the positive impact of the transformational leadership style was shown. The confirmed hypothesis can find a foothold in all scientific sources, which adds to the credibility of this paper.

On the other hand, it cannot be claimed that the transactional and charismatic leadership styles do not also contribute to employee satisfaction, so their significance should not be disregarded in further research, which could move in several directions. In particular, the dominant leadership styles in BiH should be examined, by taking into account a wider scope of styles. Also, research should be done in a particular business sector, and respondents could be not only employees, but also leaders. In this way, a comparison of attitudes between employees and their leaders could be done, with the aim of determining whether there is a difference in opinions on leadership styles being used. Characteristics of transactional and transformational followers could be examined in more detail, considering the scarcity of such research. This should certainly include qualitative research methods, which could reveal the psychological profiles of followers of transformational and transactional leaders. Furthermore, quantitative research of transformational and transactional styles on the level of lower management would be useful, since it seems both styles are too much focused on top level management.

This research did not focus on companies or organizations in a particular field, but it included employees from various organizations and companies, regardless of the kind of work they do. Future research should focus on a specific sector, for instance banking, tourism and the like, especially in BiH, which lacks research of this kind; this was one of the limitations of this research. Other limitations included the lack of adequate scientific sources strictly examining the impact of all leadership styles on employee satisfaction. Existing literature is mainly based on superficial practical research, which represents potential for future research. Extended research under

the same title should first include adequate qualitative methods before continuing with quantitative data processing, considering there is a need to prove hypotheses through more complex statistical tests. And finally, results of this research suggest that leaders and their leadership style have a considerable impact on employee behaviour, with the aim of fulfilling organizational plans. That does not necessarily amount to manipulation of employees, but the need for creating profit, based on a committed and satisfied workforce, which is a result of using an adequate leadership style.

REFERENCES

1. Bass, B. M. (1985). *Leadership and performance beyond expectations*, New York: Free Press, p. 12.
2. Bass, B. M., Avolio, B. J., Jung, D. I., Berson, Y. (2003), "Predicting unit performance by assessing transformational and transactional leadership", *Journal of Applied Psychology*, Vol. 88, pp. 207-218.
3. Bass, B. M., Riggio, R. E. (2008). *Transformational leadership*, 2nd edition. New Jersey: Lawrence Erlbaum Associates Inc., p. 4.
4. Bass, B. M., Avolio, B. J. (2006). *Multifactor Leadership Questionnaire: Feedback Report*, Available at: http://www.mlq.com.au/docs/sample_mlq360_report.pdf (Accessed on: January, 2013).
5. Bassett, G. (1994), "The case against job satisfaction", *Business Horizons*, Vol. 37, pp. 61-68.
6. Berry, L. M. (1997). *Psychology at work*. San Francisco: McGraw-Hill Companies Inc., p. 37.
7. Burns, J. M. (1978). *Leadership*. New York: Harper and Row, pp. 4-20.
8. Bushra, F., Usman, A., Naveed, A. (2011), "Effect of Transformational Leadership on Employees' Job Satisfaction and Organizational Commitment in Banking Sector of Lahore (Pakistan)", *International Journal of Business and Social Science*, Vol. 2, No. 18, p. 5.
9. Brown, F. W., Moshavi, D. (2005), "Transformational leadership and emotional intelligence; A potential pathway for an increased understanding of interpersonal influence", *Journal of Organizational Behavior*, Vol. 26, p. 869.
10. Bycio, P., Hackett, R. D., Allen, J. S. (1995), "Further assessments of Bass's (1985) conceptualization of transactional and transformational leadership", *Journal of Applied Psychology*, Vol. 80, p. 472.
11. Chen, H., Beck, S., Amos, L. (2005), "Leadership styles and nursing faculty job satisfaction in Taiwan", *Journal of Nursing Scholarship*, Vol. 4, No. 37, p. 378.
12. Fuller, J. B., Patterson, C. E. P., Hester, K., & Stringer, D. Y. (1996), "A quantitative review of research on charismatic leadership", *Psychological Reports*, Vol. 78, pp. 271-287.
13. Geyer, A. L. J., Steyrer, J. M. (1998), "Transformational leadership and objective performance in banks", *Applied Psychology: An International Review*, Vol. 47, pp. 397-420.
14. Howell, J. M., Avolio, B. J. (1993), "Transformational leadership, transactional leadership, locus of control, and support for innovation: Key predictors of consolidated business unit performance", *Journal of Applied Psychology*, Vol. 7, pp. 891-902.
15. Jansen, J., Vera, D., Crossan, M. (2009), "Strategic leadership for exploration and exploitation: The moderating role of environmental dynamism", *The Leadership Quarterly*, Vol. 20, p. 15.
16. Judge, T. A., Piccolo, R. F. (2004), "Transformational and Transactional leadership: A meta-analytic test of their relative validity", *Journal of Applied Psychology*, Vol. 89, pp. 755-768.
17. Kerber, K. W., Campbell, J. P. (1987), "Job satisfaction: Identifying the important parts among computer sales and service personnel", *Journal of Business and Psychology*, Vol. 4, pp. 337-352.
18. Landy, F. J. (1989). *Psychology of Work Behavior*, 4th edition. Belmont: Wadsworth Publishing, p. 533-547.
19. Laohavichien, T., Fredendall, L., Cantrell, R. (2009), "The effects of transformational and transactional leadership on quality improvement", *The Quality Management Journal*, Vol. 16, No. 2, pp. 7-24.
20. Lussier, R. N., Acchua, C. F. (2010). *Leadership: Theory, Applications and Skill Development*, 4th edition. Mason, Ohio: South-Western Cengage Learning, pp. 32-47.

21. Luthans, F. (1998). *Organisational behavior*, 8th edition. Columbus: McGraw-Hill, p. 52.
22. Mandell, B., Pherwani, S. (2003), "Relationship Between Emotional Intelligence and Transformational Leadership: A Gender Comparison", *Journal of Business and Psychology*, Vol. 17, No. 3, p. 392.
23. Marshall, E. S. (2011). *Transformational Leadership in Nursing: From Expert Clinician to Influential Leader*. New York: Springer Publishing Company, pp. 2-6.
24. Mathieu, J., Zajac, D. (1990), "A review of meta-analysis of the antecedents, correlates and consequences of organizational commitment", *Psychological Bulletin*, Vol. 108, No. 2, pp. 112-125.
25. Moore, E. M. (2007). "The Impact of Leadership Style on Organizational Effectiveness", retrieved from: <http://gradworks.umi.com/32/77/3277647.html> (February, 2013), p. 33.
26. Mueller, C. W., Kim, S. W. (2008). "The contented female worker: Still a paradox?" in Hegtvedt, K. A., Warner, J. C. (Ed.), *Advances in group Processes*. Bingley: Emerald Group Publishing, pp. 117-149.
27. Northouse, P. G., (2010). *Leadership: Theory and Practice*, 5th edition. Thousand Oaks: Sage Publications, p. 171.
28. Robbins, S. P. (2001). *Organizational Behavior*. New Jersey: Prentice Hall, Inc., , p. 181.
29. Schermerhorn, J. R. (1991). *Management*, 11th edition. Hoboken: John Wiley & Sons, Inc.
30. Scarpello, V., Vandenberg, R. J. (1992), "Generalizing the importance of occupational and career views to job satisfaction attitudes", *Journal of Organizational Behavior*, Vol. 13, No. 2, pp. 129-134.
31. Sehic, Dz., Penava, S. (2007). *Leadership*. Sarajevo: Ekonomski fakultet u Sarajevu, pp. 169-202.
32. Shelton, E. J. (2012). *Transformational Leadership: Trust, Motivation and Engagement*. Trafford Publishing.
33. Syptak, J. M., Marsland, D. W., Ulmer, D. (1999), "Job satisfaction: Putting theory into practice", *Family Practice Management*, Vol. 6, No. 9, p. 89.
34. Tichy, N. M., & Ulrich, D. O. (1984), "The leadership challenge: A call for the transformational leader", *Sloan Management Review*, Vol. 26, pp. 59-68.
35. The World Bank (2003). GDP per capita, Available at: <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD> (Accessed on: January, 2013).
36. Wan Omar, W. A., Fauzi, H. (2013), "Transformational Leadership Style and Job Satisfaction Relationship: A Study of Structural Equation Modeling (SEM)", *International Journal of Academic Research in Business and Social Sciences*, Vol. 3, No. 2, pp. 357-363.
37. Weiss H. M., Cropanzano R. (1996), "Affective events theory: A theoretical discussion of the structure, causes and consequences of affective experiences at work", *Research in Organizational Behavior*, Vol. 18, No. 1, pp. 25-74.

*Alisa Mujkić
Dževad Šehić
Zijada Rahimić
Jasmin Jusić*

TRANSFORMACIJSKO VOĐENJE I ZADOVOLJSTVO ZAPOSLENIH

SAŽETAK

Glavni cilj ovoga rada bio je empirijski istražiti može li transformacijsko vođenje, u komparaciji s ostalim suvremenim stilovima vođenja, doprinosi stvaranju većeg zadovoljstva zaposlenih. Istraživanje je provedeno unutar kompanija Bosne i Hercegovine i Njemačke. Ukupno je ispitano 399 sudionika. Pomoću neparametarskog Mann-Whitney testa dokazano je da se zadovoljstvo statistički značajno razlikuje kod zaposlenih pod uticajem transformacijskog, a u odnosu na transakcijski i karizmatički stil. Na osnovi iscrpnoga istraživanja literature, uočilo se da su istraživanja na ovu temu jako oskudna. Poseban izazov u ovom radu bio je teorijski predstaviti transformacijsko vođenje i njegov uticaj na zadovoljstvo zaposlenih.

Ključne riječi: transformacijsko vođenje, transakcijsko vođenje, karizmatičko vođenje, zadovoljstvo zaposlenih