Testing the Impact of Transformational and Transactional Leadership on Job Satisfaction and Organizational Commitment in Private Syrian Organizations

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Abstract: The purpose of this paper is to examine the strength and significance of the links between transformational leadership, transactional leadership and organizational outcomes (job satisfaction and organizational commitment) in the private Syrian organizations. Using a survey questionnaire, 502 employees from 6 organisations were surveyed in order to examine the four main hypotheses of the study. The study results revealed that transformational and transactional leadership has a positive impact on both job satisfaction and organizational commitment in the six private Syrian organizations.

Keywords: Syrian culture, transformational leadership, transactional leadership, job satisfaction, organizational commitment.

1. Introduction

Syrian organisations are in a period of rapid change. The exposure of Syrian private organisations to the global market has focused attention on the role and importance of their leaders and the leadership techniques operating within the Republic. As competition from both inside and outside Syria increases at a steady pace, the need to make more efficient use of human resources grows. Research in the west has shown that advancing leadership techniques can have a positive impact on organisational outcomes, such as job satisfaction and organisational commitment. Till know very few researches tried to study these relationships in Middle East in general and particularly in Syria. According to Yahchouchi (2009): “compared to other parts of the world, the Middle Eastern region has less available literature related to the field of human resources management”.

For Syrian private organisations to compete there is little doubt that they too will have to increase these organisational outcomes such as job satisfaction and organizational commitment. This paper examines leadership and organizational outcomes in Syrian organizational culture, and the aim for this paper is to identify and examine the relationship between leadership and organizational outcomes in the context of Middle Eastern culture: the case of Syrian organizations and our questions is:
- How does leadership style (transformational, transactional) affect job satisfaction?
- How does leadership style (transformational, transactional) affect organizational commitment?

2. Syrian Culture

Hofstedede (2003) analyses the Arab world of which Syria is a part. In all of these countries Islam is the dominant religion. His work is based on four indexes, each of which is designed to explain particular cultural features. These are: Power Distance Index (PDI); Individualism Index (IDV); Masculinity Index (MAS); and Uncertainty Avoidance Index (UAI). These explore inequality
relating to wealth and power, how important individuals are vis-à-vis wider society, the role of women in society and how tolerant a society is of uncertainty and ambiguity.

The implications of Hofstede’s findings are that the Arab world has a collectivist culture that is separated by discrete social classes, is risk averse, avoids change and new technology, the people like to obey authority and rules and accept what the government, leaders or people in authority say. There is a great dependence on the monarchy and leaders, which remains isolated and does not mix with the people and that has formed a controlled society. Barriers to adopting changes and technology exist but they would disappear if the government endorses these changes. In contrast, USA has an open culture that is less driven by social class value. People are not averse to taking risks and individual initiative and enterprise is high. Women have equal opportunities and people do not blindly accept what their leaders say. Leaders tend to be more open, mix freely with people. People and society does not place barriers to change and while government intervention and control is required, people do not look at the government or leaders for accepting changes.

I agree with Hofstede that the Arab world has a collectivist culture which is a positive point because people are still care about each others, and they put the benefits of their societies above their own benefits, also some Arab countries such as UAE, Qatar and Jordan they do not avoid change and new technology, for an example the highest building in the world and the best new technology are exist in UAE and Qatar, also to some extent some new leaders in the Arab world start to mix with their people and have more considerations about people needs.

Within a hierarchical society in which upward mobility is restricted, you tend to have leadership styles in there is a great deal of power distance between leaders and employees, in a small family business, such power distance may not be that great, but the bigger and more successful such firms become, the greater the power distance that might be expected between leaders and employees. In such family run businesses, power may be shared within the family that owns the business, but individual style of leadership may be heavily constrained by traditional subservience to the views of the more senior members of the family. Indeed this may foster a climate in which junior members are reluctant to take many risks on their own initiative.

On the other hand, in the USA Avolio and Bass (1995) studied the impact of Individualized Consideration (a transformational component) within the context in which the leader’s behaviour was nested. Their hypothesis was that transformational leaders who continuously focus on developing followers (individualized consideration) will eventually create group norms that encourage colleagues to focus on developing and helping each other. In other words, culture is taught by the leadership and eventually adopted by the followers (Bass and Avolio, 1993).

This hypothesis fails to account for the possibility that the culture may influence the impact of the leader, however. For example, what constitutes individualized consideration to one person might appear to be interference or paternalism to another person (the case in Syria or in the Middle Eastern countries). The perception is dependent on the work environments (the situation) or culture that he or she has experienced. For instance, if the person works in a very controlling environment, a simple friendly response by the leader might be construed as individual consideration. However, if a person moves to a command and control work environment after they have experience in an organization that focuses on developing individual, his/her threshold for individual consideration will be much higher (Avolio & Bass, 1995). Thus, the culture beliefs, norms and values that he has experienced in former work life impacts how he/she feels about the leader’s behaviour. In other words, culture defines characteristics of followers that are attributable.

Syria can be considered a country with a range of strong cultural influences, including religion, social customs and traditional values. The effect these influences have on leaders varies between companies (Abas, 2008). However, the strong culture will continue to present barriers to leadership reform in the short-term.
3. Leadership and Organizational Outcomes

Organizational outcomes cover a wide range of possible reactions to organizational procedures. In general, these refer to behaviours of employees which relate to leadership decision making. The most relevant of these have been helpfully divided by Greenberg (2005) into: the good, referring to high performance and compliance; the bad, exemplified by high turnover and absenteeism; and the ugly, which can include violence and other counter-productive work behaviours.

Avolio et al (2004) mentioned that the mechanisms and processes by which transformational leaders exert their influence on their followers’ motivation and performance have not been adequately addressed in the literature (Bono & Judge, 2003; Yukl, 2002). Clearly, there is a need for greater attention to be paid to understanding the mechanisms and processes through which transformational leadership influences work-related attitudes such as employee commitment in order to develop a more complete understanding of the inner workings of transformational leadership (Bass, 1999).

Nowakowski (2007) suggests that the success of organizations depends on market forces, competing products, financial health and while a business leader is judged by the financial success, it does not mean that a leader is good only when outcomes are positive.

Eberlin et al (2008) on the other hand argues that a good leader needs to have a forward-looking vision to combine organization resources, the intellectual capital of employees and a set of strategies that bring success to an organization.

Wang (2005) conducted research with 502 employees of private banks in Greece. A structured multifactor leadership questionnaire (MLQ) was distributed to understand the link between organization justice and the leadership styles practised in the organization. The survey asked responders to assess what they felt about the leadership style and linked the responses to organizational justice. The questions related to distributive justice, procedural and informational justice, psychological contract breach, perceived external breach and organizational identification. While the results showed what the employees felt about their organizations, their leadership and how satisfied or dissatisfied they felt, an overview suggests that the instrument is a good indicator to attempt a link between leadership style, organizational performance, employee satisfaction and employee productivity. This paper built on further studies of the relationship between leadership style and employee job satisfaction, carried out by scholars including Kim (2002), and Putti & Tong (1992). The results for the study of Emery et al (2007) indicate that the transformational factors of charisma, intellectual stimulation, and individual consideration are more highly correlated with job satisfaction and organizational commitment than the transactional factors of contingency reward and management-by-exception.

Yousef (2000) investigated the relationship between leadership behaviour and the work outcomes of job satisfaction and job performance in the UAE. Results revealed that employees who perceive their managers as adopting consultative or participative leadership behaviour are more committed to their organizations, more satisfied with their jobs and higher in their performance.

Research studies have shown transformational leadership positively related to job satisfaction, organizational commitment, and performance in the west (Walumbwa et al., 2004; Walumbwa et al., 2005, Dumdum et al., 2002; Emery et al., 2007). Transactional leaders identify and clarify for subordinates their job tasks and communicate to them how successful execution of those tasks will lead to receipt of desirable job rewards (Avolio et al. 1991, Avolio & Bass 1988). Although transactional leadership tends to be the most frequently used leadership approach in industry
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(Yammarino and Bass, 1990), no significant relationship was demonstrated between transactional leadership style and job satisfaction in staff nurses (Medley and Larochelle, 1995).

A leader’s use of transformational leadership behaviours is associated with trust in management (Barling et al., 1998), subordinates job satisfaction (Hater and Bass 1988) and commitment to the organization (Barling et al., 1998). Research findings have also confirmed that transformational leadership is more highly related to perceived satisfaction and effectiveness than is transactional leadership (Yammarino and Bass, 1990). Transformational leadership with its focus on the leader’s role as a guarantee of social and ethical behaviour throughout the organization brings a new vision of building attitudes, motives and concepts in order to reach higher organizational outcomes including job satisfaction and organizational commitment (Bass, 1997).

Already for more than twenty years the awareness about transformational power of leadership theory helps companies and organizations to produce more positive outcomes including leadership efficiency, fast staff and product development, improvement of organizational and citizenship behaviour, better commitment to the leader along with organization and increasing of overall satisfaction from the job. The analytical review of both – transformational and transactional leadership in terms of organizational outcomes helps to build an appropriate basis for making predictions and judgments more precisely. (Settoon, 1996)

While transactional leadership is expected to be successful because its economic background, the transformational behaviour has better chances for enhancing of professional performance and for bringing the extraordinary activities into corporative life.

According to the concept of positive organizational outcome presented by Bass and Avolio (1997) the ideal influence of transformational leadership behaviour should encourage the performance expectations and existing standards.

The link between leadership and organizational outcome have been fairly analyzed and assessed in the articles. A strong and visionary leader would help to transform the organization and lead it forward. However, the meaning of organizational outcome is again restricted to increase in revenues. The critique here is that some leaders manage to save their firms through various measures such as mergers, plant closures, lay offs and so on and such activities can be regarded as business exigencies and not positive organizational justice measures. Therefore the very meaning of organizational outcome is not properly framed in the articles.

The research review indicates that transformational leadership style has a positive effect on the motivation of employees and increased job satisfaction and organizational commitment. More research must be conducted in areas with different cultural practices, including Syria, to improve the validity of the concepts and broaden the scope of the current literature.

4. Method

4.1. Sample and data collection

Six organizations were selected for the purpose of this study, seven hundreds and eighty three questionnaires were distributed through drop of f and pick up methods. Only 502 questionnaires were returned, resulting in a sixty four percent response rate.

4.2. Hypotheses

To explore the relationships between the above variables, four general hypotheses were developed, namely:

H1: Transformational leadership is positively related to job satisfaction.
H2: Transactional leadership is positively related to job satisfaction.
H3: Transformational leadership is positively related to organizational commitment.
H4: Transactional leadership is positively related to organizational commitment.

4.3. Measures

Demographic variables: age, gender, marital status, level of education, experience and position were measured using six different scales ranged between two points (e.g. gender) to four points (e.g. level of education).

4.3.1. Measurement of leadership
The MLQ in its most recent version (Form 5X-Short) which developed by Bass and Avolio (1995) contains a broader and fuller range of leadership styles with the most commonly employed measures of transformational and transactional leadership and widely used in research papers. The MLQ uses a five-point Likert scale, with responses ranging from 1 = Not at all, 2 = Once in a while, 3 = Sometimes, 4 = Fairly often, and 5 = Frequently if not always.

4.3.2. Measurement of job satisfaction
Minnesota satisfaction questionnaire (MSQ) is a widely used measure for job satisfaction. Weiss et al (1967).
Employees completing this scale rate the extent to which they are satisfied or dissatisfied with various aspects of their jobs (their pay, chance for advancement) higher score reflects higher degree of job satisfaction.

4.3.3. Measurement of organizational commitment
The Organizational Commitment Questionnaire (OCQ) is a self-scoring questionnaire.
Responses to each of the 6 items are rated using a 5-point Likert scale with anchors labeled: 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree. Allen & Meyer (1990).

5. Data Analysis
Survey research data are analyzed with descriptive statistics, including means, standard deviation, correlations and regression analysis to assess the extent to which transformational and transactional leadership are associated with job satisfaction and commitment. Pearson’s product-moment correlation coefficient will be used as correlation between the independent and dependent variables. Demographic data regarding age, gender, marital status, level of education, experience and position will be weighed. Statistical Package for the Social Sciences (SPSS) for Microsoft Windows was the statistical analysis tool.

Results:
Table.1 and Table.2 provide an overview of the descriptive statistics of the respondents’ answers on transformational, transactional, job satisfaction and organizational commitment constructs. The results shows that Respondents perceived Syrian leadership style in the private Syrian organization as more transformational (M = 3.54) than transactional (M = 3.38).
Moreover, Table 3 shows a significant correlation between transformational leadership and job satisfaction. The correlations (Table 3) and regression results (Table 4) support H1 that proposed a positive relation between transformational leadership and job satisfaction. Therefore, our findings, show evidence for transformational leadership being positively related to job satisfaction.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Transformational leadership</th>
<th>Transactional leadership</th>
<th>Job satisfaction</th>
<th>Organizational commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>-</td>
<td>-</td>
<td>.398**</td>
<td>.339**</td>
</tr>
<tr>
<td>Transactional leadership</td>
<td>-</td>
<td>-</td>
<td>.452**</td>
<td>.329**</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>.398**</td>
<td>.452**</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>.339**</td>
<td>.329**</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Independent variable: transformational leadership, Depended variable: job satisfaction
Moreover, Table.3 shows a significant correlation between transactional leadership and job satisfaction. The correlations (Table.3) and regression results (Table.5) support H2 that proposed a positive relation between transactional leadership and job satisfaction. Therefore, our findings, show evidence for transactional leadership being positively related to job satisfaction. Independent variable: transactional leadership, Depended variable: job satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant) transformational leadership</td>
<td>2.506</td>
<td>.349</td>
<td>.129</td>
<td>.398</td>
</tr>
<tr>
<td></td>
<td>.349</td>
<td>.036</td>
<td>.398</td>
<td>9.690</td>
</tr>
</tbody>
</table>

Moreover, Table.3 shows a significant correlation between transformational leadership and organizational commitment. The correlations (Table.3) and regression results (Table.6) support H3 that proposed a positive relation between transformational leadership and organizational commitment. Therefore, our findings, show evidence for transformational leadership being positively related to organizational commitment. Independent variable: transformational leadership, Depended variable: organizational commitment

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
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<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
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<tr>
<td>(Constant) transformational leadership</td>
<td>2.432</td>
<td>.387</td>
<td>.117</td>
<td>.452</td>
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<tr>
<td></td>
<td>.387</td>
<td>.034</td>
<td>.452</td>
<td>11.337</td>
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</table>
Moreover, Table.3 shows a significant correlation between transactional leadership and organizational commitment. The correlations (Table.3) and regression results (Table.7) support H4 that proposed a positive relation between transactional leadership and organizational commitment. Therefore, our findings, show evidence for transactional leadership being positively related to organizational commitment.
Independent variable: transactional leadership, Depended variable: organizational commitment

Table.7

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>.329</td>
<td>.106</td>
<td>.49544</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), transactional leadership

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Consta</td>
<td>t)</td>
<td>transformational leadership</td>
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<td>.143</td>
</tr>
<tr>
<td></td>
<td>25</td>
<td>.042</td>
<td>.329</td>
<td>7.790</td>
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<td></td>
<td>.32</td>
<td>6</td>
<td></td>
<td></td>
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</tbody>
</table>

6. Conclusion

In this paper we adopt Bass’ (1990) framework of transformational and transactional leadership, we aimed to determine the employees’ perception of the Syrian leadership styles and its impact on employees’ job satisfaction and organizational commitment. Considering the Syrian collectivistic culture, the Syrian leadership style was assumed to be more transformational than transactional. Using a sample of 502 respondents, the survey shows that the Syrian leadership style in the private organizations is more transformational than transactional. Correlation and regression analysis show that transformational leadership style is related to employees’ job satisfaction, correlation and regression analysis show that transformational leadership style is related to employees’ organizational commitment. Correlation and regression analysis show that transactional leadership style is related to employees’ job satisfaction, correlation and regression analysis show that transactional leadership style is related to employees’ organizational commitment. The recommendation for the Syrian organizations leaders is to adopt the transformational leadership behaviour if they want to improve and increase organizational outcomes such as job satisfaction and organizational commitment in Syrian organizations.
References


