

Assessment of the Relationship between Leadership Styles and Employees' Job Satisfaction in Tanzanian Local Private Companies: A case of Dar es Salaam Region

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Abstract

The aim of this study was to examine the relationship between leadership styles and employees' job satisfaction in the Tanzanian local private companies located in Dar es Salaam region. The study was pragmatic in nature as both quantitative and qualitative data were collected and analyzed. The explanatory research design was applied and a sample of 152 employees were randomly selected and 8 managers were selected using judgmental sampling technique. The data from employees were collected using questionnaires whereas interview was used as the data collection method for managers. Data were analyzed using a multiple regression technique to show the relationship between leadership styles and employees' job satisfaction. The findings of the study revealed the positive relationship between both transformational leadership and transactional leadership and employees' job satisfaction. However, transformational leadership indicated more influence on employees' job satisfaction than transactional leadership. Specifically, the study revealed that two attributes of transformational leadership (idealized influence and intellectual stimulation) showed a positive and significant relationship while the rest were insignificant. Meanwhile, contingent rewards and MBE-Active were significant and positively related to employees' job satisfaction while MNE-Passive was insignificant. It was concluded that managers of the local private companies in Tanzania should use both transactional and transformational leadership styles with more focus on idealized influence, intellectual stimulation, contingent rewards and MBE-Active.

Introduction

The local private companies in Tanzania are the key players of the perceived industrialization and rising private sectors' contribution in the country's GDP (Wangwe & Rweyemamu, 2004). However, these companies operate in a globalized world with the environment that experience changes (URT & UNIDO, 2012). Different social, technological, cultural, political and economic factors are the key and common challenges facing the private organizations in Tanzania (Wangwe & Rweyemamu, 2004). For example these companies are reported having a challenge of labour turnover among their employees, basically resulting from many factors including lack of motivation, job dissatisfaction, payment and carrier shift (Kweka & Sedoyeka, 2014).

According to Sattar, Nawaz, & Khan (2012), job satisfaction is a critical issue for every organization because satisfied employees are reportedly known for good performance and vice versa. The intentions of employees to leave the organization is highly associated with their job

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dissatisfaction (Blaauw et al., 2013). Literature has revealed that the most factors facilitating job satisfaction and its counterpart includes company policies, gross pay (salary/benefits), communication, achievements, leadership, home and work conflict, advancements (Worrell, 2004). However, job dissatisfaction is caused by unfair pay system, unrewarding job and lack of skill variety, lack of performance standards and feedback; dissatisfaction caused by lack career prospect, unfair supervision, and poor relation between leaders and their followers (Armstrong, 2006). According to Munir, Rahman, Malik, & Ma'amor (2012), leadership is one among the factors that need to be taken care for employees to be satisfied and the main problem with leadership is on the style that managers adopt in leading their followers.

Leadership has many aspects that are known to affect proper management of the business operations for success, in a particular case honest, integrity, and other ethics are mentioned however, the styles that leaders use in leading their followers are reported affecting many organizations in managing the psychological part of employees especially job satisfaction (Motowidlo, 2003). According to Kirkpatrick & Locke (1991), critical firms' outcomes, like job satisfaction have been associated with the leadership styles that the organization adopts. There are many leadership styles of which managers can apply in dealing with employees, autocratic leadership, democratic leadership, leiser-faire leadership, transformational leadership and transactional leadership styles (Nanjundeswaras & Swamy, 2014).

However, transformational and transactional leadership styles with their associated dimensions have attracted many researchers worldwide in the leadership field (Awamleh & Gardner, 1999; House et al., 1999). Some researchers concluded that leaders who use transformational leadership style can motivate their followers than those who employ transactional leadership (Fernandes & Awamleh, 2004; Saleh & Elgelal, 2014). Contrary, other studies reported that leaders employing transactional leadership can best motivate their followers and therefore transformational leadership has nothing to do with employees' job satisfaction (Akhigbe, Finelady, & Felix, 2014; Judge & Piccolo, 2004; Thamrin, 2012).

More specifically, studies concluded that some attributes of transformational leadership can be combined with some attributes of transactional leadership to predict job satisfaction among employees (Hanaysha et al., 2012; Loganathan, 2013). On the other hand, other researchers generalized by showing that both transformational and transactional leadership styles and all of their attributes have to be applied in satisfying employees in their jobs (Gellis, 2001; Mung, May-Chiun, Kwang-Sing, & Ayob, 2011). The studies conducted in the leadership field have brought about contradictory and inconclusive results in determining which of the two leadership styles can best predict employees' job satisfaction than the other.

Additionally, there are limited studies conducted in the Tanzanian context on the relationship between leadership styles and job satisfaction (Haruni & Mafwimbo, 2014; Nguni et al., 2006) and the few existing ones are based on public organizations. Again, most of research in the field took job satisfaction in Herzberg's two factor theory explaining it with emphasis on influencing factors like pay, achievement, recognition, work itself, responsibility, advancement, and possibility of growth as indicators to job satisfaction instead of observable behaviors of the satisfied employees. Therefore, this study explained the relationship in the local private companies' context taking the concluded observable indicators of a satisfied employee (employees' job performance, job loyalty and absence of turnover intention) into consideration.

The main purpose of this study was to examine the relationship between leadership styles and employees' job satisfaction in the Tanzanian local private companies. Specifically the study aimed at the following objectives;

- i. To examine the influence of transformational leadership style on employee job satisfaction in Tanzanian local private companies.
- ii. To examine the influence of transactional leadership style on employee job satisfaction in Tanzanian local private companies.
- iii. To determine which of the two leadership styles can best predict employees' job satisfaction in Tanzanian local private companies.

Theoretical perspectives

Maslow's Hierarchy of Needs

The Maslow's Hierarchy of need theory was developed by Abraham Maslow in 1940-1950s in USA. The theory states that people have a pyramid hierarchy of needs that have to be satisfied from bottom to top (Maslow, 1954). According to Maslow (1954), job satisfaction happens when an individual's needs are met by the job and its context. The hierarchy of needs explained by Maslow are in 5 classes of needs analyzed in ascending order of significance. Physiological (food, water, warmth and rest), security (security and safety), belongingness and love (intimate relationship and friends) are the lower level needs in the hierarchy. The higher-level needs are self-esteem (prestige and feeling of accomplishment) and self-actualization (achieving one's full potential) therefore, basic physiological needs such as pay, food and water must be fulfilled first before moving to other needs. According to Maslow when one need is satisfied, another higher-level need emerges and motivates the person to do something to meet the satisfaction

From the theory the managers who employ a leadership style that portrays behaviors that meet the current needs of an individual are likely to promote job satisfaction among employees. Therefore, the managers who is capable of employing a leadership style that can develop satisfaction of the employee from physiological need to self-actualization is likely to promote job satisfaction of all employees in the organization. However, it is important to note that not all employees are governed by same set of needs at a given point of time, this triggered the significance of looking at the other theory detailing aspects of employees' satisfaction in general of which in this study was the Herzberg's Two Factors Theory.

Herzberg's Two Factor Theory

Frederick Herzberg's well known Two-Factor Theory was conceptualized in year 1959. The theory states that job satisfaction and job dissatisfaction are caused by different and independent set of factors. According to Herzberg (1959), Two-Factor Theory divides motivation and job satisfaction into two groups known as the motivation factors and hygiene factors. *Motivation factors* are intrinsic factors that may improve workers' job satisfaction that according to Herzberg (1959), there are six 'job content' factors that include achievement, recognition, work itself, responsibility, advancement, and possibility of growth. Intrinsic Factors are the actual motivators that contribute to employees' level of job satisfaction. On the other hand, *Hygiene factors* are extrinsic factors that are initiated to prevent any workers' dissatisfaction. Herzberg (1959), further explained that full supply of Hygiene Factors will not necessarily result into employees' job satisfaction. Hygiene factors are the 'job context' factors, which include company policy, supervision, relationship with supervision, work conditions, relationship with peers, salary, personal life, relationship with subordinates, status, and job security.

Herzberg theory explains employees' job satisfaction in a manner that, the leaders who possess behaviors that are positively related to motivation factors and exercise hygiene factors promotes employees' job satisfaction. Although the theory explains much on the factors that predict employees' job satisfaction, a number of studies have been conducted to test the theory and the conclusions were summarized indicating that the Herzberg's theory results into job satisfaction in form of job loyalty, absence of intention to leave the organization and satisfactory job performance (Allen & Grisaffe, 2001; Wu & Norman, 2006; Chen, 2006; Gronholdt, 2001; Tett & Meyer, 1993; Viator, 2001; Sumita, 2004). These attributes were used in this study to measure the level of overall job satisfaction of employees in the Tanzanian local private companies.

Transformational-Transactional Leadership theory

Transactional and transformational leadership theory was initially introduced by Burns (1978), who named it as a Full Range Leadership Theory. The theory was later developed and refined by Bass (1985) who explains the transformational-transactional leadership theory. In this case, transformational leadership theory states that good leadership is the one by which a person engages with others and is able to create a connection that results in increased motivation and morality in both followers and leaders. According to Bass (1985), with transformational qualities by a leader subordinates are willing to work harder than the expectations, this is because the leader provides subordinates with something not for his/her personal gain and inspire mission and vision of the organization.

Bass (1985) details that a transformational leader has to exhibit the four dimensions in making his/her leadership which includes *idealized influence* (charismatic leadership) as the leadership that is influenced by the way subordinates trust and respect their leader. The leader keeps up high moral standards that the subordinates try to imitate from him/her. There are two categories of idealized influence namely the behavior of the leader (as the way subordinates perceive the leader's behavior) and the attributes given to the leader by the subordinates (Avolio & Bass, 1988; Northouse, 2013). *Inspirational Motivation (IM)*, as the leaders explicitly and naturally emphasize to subordinates the need to perform well and assist them where necessary in accomplishing the organizational objectives. Inspirational motivation is explained as an expressive ways of leaders who impart high expectations to subordinates, moving them through inspirations to end up noticeably dedicated to and be part of shared vision in the company (Northouse, 2013).

The third attribute is *Intellectual Stimulation (IS)*, which according to Avolio & Bass (1988), the leader stimulates the subordinates' awareness of the problem and determination of their own norms, beliefs, values and standards in solving the problem. The leader focus on encouraging subordinates on being innovative and creative by putting in challenges in their routine ways of performing their duties and solving problem (Arzi & Farahbod, 2014; Berson & Avolio 2004). Lastly with *Individualized Consideration (IC)*, the leader regards subordinates as individuals yet all are dealt with fairly. Individual's needs are perceived and assignments are designated to subordinates to give learning openings. In addition, transformational leaders are change agents and visionaries empowering people and being able to manage multifaceted nature, vagueness and instability (Hanaysha et al.,2012). Transformational leadership theory details that the dimensions of the leadership style is concluded having effects to employees in different ways which can be

specifically taken as job satisfaction. Therefore, the four attributes of transformational leadership were used in measuring transformational leadership in this study.

On the other hand, Bass (1985), states that transactional leadership is mainly determined by punishment to followers who fail to meet the set standards and requirements and rewards to satisfactory performance (Gajendran & Harrison, 2007). Accordingly, there are two dimensions of transactional leadership namely contingent rewards and management by exemptions. *Contingent reward* is the degree to which a leader arranges constructive transactions with followers: The leader is very clear about his expectations and he/she establishes the rewards for meeting these expectations.

Another dimension is *Management by Exception*. This dimension is categorized into two. They are Management by Exception Active (MBE-Active) and Management by Exception Passive (MBE-Passive) (Northouse, 2013). According to Bass & Riggio (2006), Management by Exception is called corrective transaction. In MBE-A the leaders is supposed to monitor deviances from errors, mistakes and standard and then take corrective action when it happens (Arzi & Farahbod, 2014; Avolio & Bass, 1988; Munir et al., 2012; Northouse, 2013; Yukl, 2010). As noted by Howell & Avolio (1993), the difference between *MBE-active* and *MBE-passive* lies in the timing of the leader's intervention. Active leaders monitor follower behavior, anticipate problems, and take corrective actions before the behavior creates serious difficulties. Passive leaders wait until the behavior has created problems before taking action. With this understanding, the managers who employ punishments and rewards to their subordinates promotes job satisfaction, this study therefore, used the identified attributes of transactional theory in measuring transactional leadership style in the respective organization.

A number of studies on managerial leadership styles have been conducted outside Tanzania. Akhigbe et al. (2014) carried out a research on leadership styles in banking sector in Nigeria. The purpose of the research as to investigate the effects of transactional leadership on employees' job satisfaction in selected banks in Nigeria. The study involved 160 staffs from 20 banks as representatives and collected information using questionnaire and interview techniques. The Spearman Rank-order correlation coefficient and regression were used as a data analysis tools. Finally the study showed that all attributes of transactional leadership style improves employees' job satisfaction. The findings were successful in specifying that the two attributes of contingent reward and MBE-active best promote satisfaction of employees while transformational leadership and MBE-passive has no relation to job satisfaction. However, the study details much on transactional leadership and nothing was done to explain the transformation part of the full range model. While this study was in favour of transactional leadership, the study by Loganathan (2013), Fernandes & Awamleh (2004) and Hanaysha et al. (2012), supported that transformational leadership promotes job satisfaction than transactional leadership.

Hamidifar (2010), conducted a study on leadership in Tehran, Iran. The main purpose of the study was to investigate how leadership styles influences job satisfaction at the 16 branches of Islamic Azad University a province in Iran. A random sampling arrived at 400 respondents, and the sample were supplied with questionnaires, where 386 were completely filled. The results of the study revealed that both transformational and transactional leadership predicted job satisfaction, however, different from others this study further reported that individualized consideration attribute appeared to have more effects. This study formed a ground of support where Shibru & Darshan (2011), expanded the idea adding that only two idealized influence and

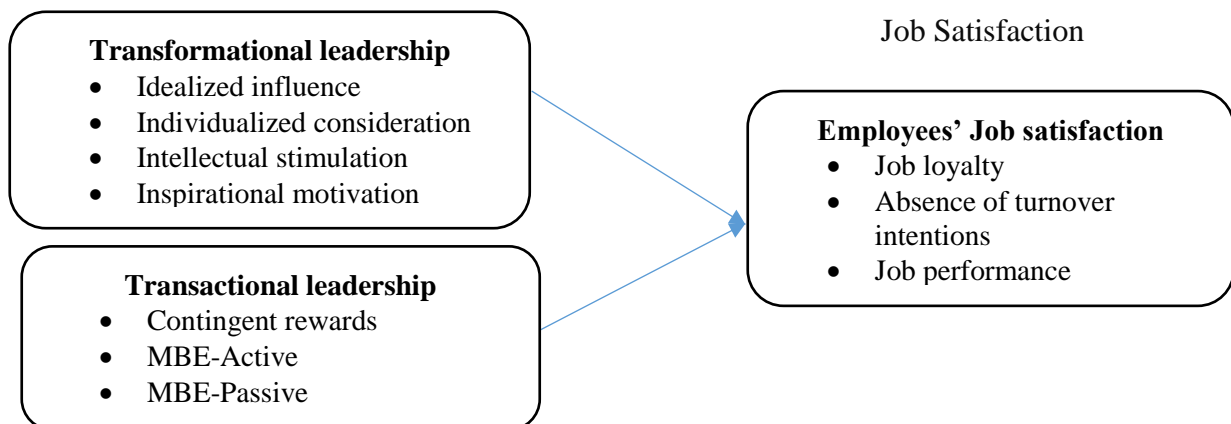
individualized consideration had significant effects on job satisfaction. However, the findings by Hamidifar (2010), may be questionable as being applicable in all organizations, because the study was conducted in Iran where Islamic culture dominates. According to Yukl (2006), with Islamic culture, Iranians view their supervisors the same way they favorably see their old siblings or parents. This attracts the view that the findings were culturally based and therefore, the current study excluded the companies that are too much attached to a certain religious belief.

Limited studies have been conducted in Tanzania with regards to leadership styles. A study by Nguni et al. (2006) in the Tanzanian public primary schools formed a ground in Tanzania with respect to leadership research. The study included a sample of 700 primary school teachers from 70 schools who were supplied with questionnaires, data were analyzed using regression technique. The results indicated that transformational leadership dimensions have strong influence on teachers' job satisfaction. Haruni & Mafwimbo (2014), indicated that democratic leadership was the one that promote employees' job satisfaction. Though the study explained it in a different way, the findings detailed fact on democratic leadership was much based on the ability of the leader to involve followers in decision making, therefore the findings were in touch with the idealized influence attribute of transformational leadership. However, The difference in leadership between public and private sectors is evident considering job autonomy as public leaders has less autonomy, high job complexity and more bureaucratic in public sectors (Goerdell, 2011; Anderson, 2010; Hansen & Villadsen, 2010). Therefore, the findings from these studies cannot be generalized for both public schools and private organizations.

Conceptual Framework.

As derived from the theories and related literature, Transformational leadership was measured by idealized influence, individualized consideration, intellectual stimulation and inspirational motivation where transactional leadership has to be observed through contingent rewards, MBE – Active and MBE – passive. On the other hand, employees job satisfaction was detailed looking at the intentions of employees to leave the organization, performance of their job and how loyal they are to their job.

Figure 1. Conceptual Framework
Leadership Style



Sources: *Synthesized from Literature Review (2017)*

The following hypothesis were tested;

H₀ - There is a positive relationship between transformational leadership style and employee job satisfaction in the Tanzanian local private companies

H₀ - There is a positive relationship between transactional leadership style and employee job satisfaction in the Tanzanian local private companies

H₀ - Transactional leadership style can best predict employees' job satisfaction in Tanzanian local private companies than transformation leadership style. .

Methodological Approach

The study employed a pragmatism research philosophy taking explanatory research design into consideration. According to Voordijk (2011), explanatory research design attempts to understand variances among variables, explaining behaviors between one or more dependent variables in terms of the behavior of an independent variable. In order to achieve the objectives, 152 employees and 8 leaders were selected from 8 local private companies. The study employed two sampling techniques as random sampling techniques and purposive sampling techniques to arrive at a number of participants. According to Omari (2011), a purposive sampling involves picking units most relevant in the subject matter, and studying them. Purposive sampling technique was applied in obtaining 8 local private organizations. In this study, the method was applied in selection of the 8 companies for they had to maintain a balance to represent others. Moreover, Purposive sampling was applied in selection of leaders because it is the researcher's judgement to direct select the ones who lead others. Random sampling technique was applied in obtaining employees (followers). According to Kothari (1990) simple random sampling technique makes sure that every item of the population is given equal chance of being included in the research, and the findings obtained from random sampling can be assured in terms of estimation or the relevance of obtained findings, this makes random sampling considered being superior to other the deliberate sampling techniques.

Questionnaire and interviews were the main data collection methods where secondary sources of data complemented their results. As the respondents are mostly employees, questionnaire was used to gather large amount of information from them. According to Best & Kahn (2006) questionnaire is used when factual information is desired. The Multifactor Leadership Questionnaire (MLQ) was used to gather primary data from the employees. MLQ was developed by Bass & Avolio (1995) using it to assess leadership behaviors of leaders. The Minnesota Satisfaction Questionnaire (MSQ) conceptualized by Weiss, Dawis, England, & Lofquist (1967) was reviewed to form the statements that tested the level of employees' job satisfaction. The researcher in consultation with the experts in the field modified the original scales to reflect more relevant leadership and job related behaviors found in Tanzanian context. Another data collection technique used was the interview and was used to collect data from the 8 leaders. The researcher also reviewed the existing literature (secondary data sources) as complimentary to the primary data.

Content validity for the Multifactor Leadership Questionnaires (MLQ) was established by asking recognized experts in the field to review the survey instrument for clarity, comprehension, and consistency of question format. A pilot test was conducted using the questionnaires to detect possible flaws in measurement, identify unclear formulated items and, more importantly, to observe non-verbal behaviors. Necessary alterations were then done to the questionnaires before data collection. The Cronbach's coefficient alpha for all the variables was calculated and found above 0.7 for all the variables. To analyze the quantitative data, Statistical Packages for Social

Science (SPSS) software was employed and to analyze the demographic characteristics of the respondents, frequency and percentage were used. To allow for prediction of dependent variable, multiple regression was used as analysis technique. Therefore, regression analysis was used in showing how transformational and/or transactional leadership predict employees' job satisfaction. According to Marczyk, DeMatteo, & Festinger (2005), multiple regression analysis is more amenable to ceteris paribus analysis because it allows us to explicitly control for many other factors that simultaneously affect the dependent variable. The information provided qualitatively from the interview were recorded, arranged into segments based on the research objectives, summarized and interpreted for analysis according to categorized responses.

Presentation and Discussion of Findings

Profiles of Respondents

The total number of respondents was 152 employees and 8 leaders (managers) obtained from among Tanzanian local private companies in Dar es Salaam region. Respondents are distributed in their gender, age, level of education and working experience. With regards to Gender, the results indicated that 52% of respondents were males while 48% were female. The results show that though with a slight difference, majority of respondents were males. Again, the age distribution indicated that, 2.6% of respondents are aged below 20 years while 23.7% are between 20-24 years old. The other categories were 13.8% and 4.6% for the respondents aged 36-45 years and above 45 years respectively while the majority of the respondents (55.3%) were aged between 25 to 35 years. The results generally suggested that the biggest number of employees of the local private companies in Dar es Salaam falls between 25-35 years who are adult and strong workforce but may still have chance to change their dreams and eager to accomplish something in their life time as part of their satisfaction.

On the other hand, education level and experience of respondents was analyzed, the showed that the highest number of respondents 32.9% had a bachelor degree or equivalent level of education while just 5.3% and 0.7% had a relatively higher education for master's degree and PhD respectively. Meanwhile 21.1% of respondents had a diploma level of education whereas the employees with certificates and those who were found not attended any professional training were 26.3% and 13.8% respectively. With these results, it is likely that candidates with degree are highly preferred by the Tanzanian local private companies. Regarding years of experience, the results indicated that, the majority of respondents (66.4%) had worked in their current companies for a period of between 1 to 5 years, 23.7% of respondents were in service for a period of between 6-10 years while 4.6%, 2.6%, and 2.6% for a period of 11-12 years, 16-20 years and above 20 years of service respectively.

Regression analysis of transformational leadership and employees' job satisfaction

The results shows that R^2 value was 0.279. This means that the independent variables of the model Idealized influence, Individualized consideration, Inspirational motivation and Intellectual stimulation as the transformational leadership attributes explain 27.9% of the variance in job satisfaction of the employees, the other variation 71.1% are explained by other factors. The model reaches statistical significance ($p < 0.001$) meaning that the model is significant. The results indicate that there is a strong and positive relationship between idealized influence and employees' job satisfaction, a percentage increase in idealized influence behavioral exhibition by the leader results to a 32.6% increase in employees' job satisfaction.

The interview results also indicate the same direction of idealized influence over employees' job satisfaction, one manager at the construction company said;

"....The acts of insisting moral values and principles by the leader always generate followers' trust, respect and therefore foster good relation with the followers of which in turn results to job satisfaction by subordinates and performance...."

Intellectual stimulation takes a chance after idealized influence in promoting job satisfaction with the percentage change of 21.3 per every percentage change in intellectual stimulation. In the interview, managers acknowledged the importance of enhancing employees' capability through training and coaching on the satisfaction of employees. One manager health care company said;

".... Most of employees here are the fresh graduates that they need intensive professional experience for their future, my subordinates get it right when something is done related to increasing their working ability in terms of skills and knowledge..."

The results further indicate that, inspirational stimulation has no substantial but positive influence on the overall employees' job satisfaction with β coefficient of 0.145. Individualized consideration was the only attribute of transformational leadership that was found negatively related to the general employees' job satisfaction but the results revealed that it was not significant in influencing overall job satisfaction.

Table 1: Effects of transformational leadership on overall employees' job satisfaction

Model	P-value	R	R ²	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	P=.000	.529	.279	B	Std. Error	Beta		
1	(Constant)			-.006	.070		-.089	.930
	Idealized influence			.326	.086	.327	3.779	.000
	individualized consideration			-.059	.096	-.059	-.613	.541
	inspirational motivation			.145	.104	.145	1.402	.163
	intellectual stimulation			.213	.091	.211	2.334	.021

Source: Field data (2017)

Regression analysis of transactional leadership and employees' job satisfaction

The results indicated that, the model is strong and significant in explaining the relationship between contingent rewards, MBE – Active and MBE – Passive and employees' job satisfaction (P=0.000, R=529). The results further show that 27.1% of the variability of employees' job satisfaction are found being explained by the three dimensions of transactional leadership (R²=0.271), the rest (72.9%) are being explained by other factors to job satisfaction of which other forms of leadership, promotion, payment and working condition just to mention a few are given consideration. In addition to that, the findings show that, only contingent rewards and MBE-active have a positive and significant contribution in improving overall employees' job satisfaction. The data shows that a percentage increase in contingent rewards and MBE-active result to 33.9% and 24.3% increase in overall employees' job satisfaction respectively.

The findings in the interview is consistent to this findings, a leader at the health care company said;

“.....an employee cannot be satisfied with the job when he/she is not fairly compensated in respect to his/her contribution, when appropriate reward is institutionalized employees become happy with their job for they get something in return for their efforts...”

Again, a manager at the auditing firm supported MBE-Active by saying that’

“.....Most of our employees are teenagers, their main area of concern is to get experience in their work for their carrier development. Therefore, a strong follow-up on them inject capability in performing their duties.....”

MBE-passive was found having a negative relationship with overall employees’ job satisfaction indicating that a percentage increase in MBE-passive leads to a 1.3% decrease in overall employees’ job satisfaction.

Table 2: effects of transactional on overall job satisfaction

Model	P-value	R	R ²	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	P=000	.521	.271	B	Std. Error	Beta		
1	(Constant)			-.006	.070		-.089	.929
	Contingent rewards			.339	.086	.339	3.928	.000
	MBE – Active			.243	.086	.244	2.836	.005
	MBE – Passive			-.013	.071	-.013	-.177	.859

Source: Field data (2017)

Comparison of the regression results (individual leadership style and job satisfaction)

The findings on the strength of the relationships between transformational leadership and transactional leadership on employees’ job satisfaction in Table 3 indicated that both of the two leadership style strongly influence employees’ job satisfaction. However, transformational leadership (0.529) is a little more strong compared to transactional leadership (R=0.521). Again, the variability of employees’ job satisfaction explained by transformational leadership (R²=27.9%) are more than that explained by transactional leadership (R²=27.1%). Therefore, the results revealed that transformational leadership promote employees’ job satisfaction more than transactional leadership.

Table 3 Summary of the regression results (leadership style and job satisfaction)

Model	R	R ²	P- value
Transformational leadership – job satisfaction	.529	.279	.000
Transactional leadership – job satisfaction	.521	.271	.000

Source: Field data (2017)

The average score of transformational leadership in table 4.2, transactional leadership in table 4.3 and overall employees’ job satisfaction in table 4.5 were used to establish a regression analysis showing a combined effects of transformational leadership and transactional leadership on employees’ job satisfaction. The regression analysis of transformational leadership, transactional and overall employees’ job satisfaction indicates that only 26.9% of change in the overall

employees' job satisfaction is due to transformational leadership and transactional leadership whereas 73.1% change is due to unexplained variability.

Joint effects of transformational leadership/transactional leadership on job satisfaction.

The finding indicated that there was statistically significant relationship between the two leadership styles and overall employees' job satisfaction ($P=.000$). The results showed that both the two leadership styles are significant and positively related to overall job satisfaction. However, transformational leadership promote employees' job satisfaction at a rate of 29.5% per a percentage increase in the facets of transformational leadership behavior whereas transactional leadership promotes only at a rate of 26.1%. This result indicates that transformational leadership is stronger in promoting employees' job satisfaction than transactional leadership.

The findings in the interview supported that a combination a combination of the bot transformational and transactional leadership styles predict employees' job satisfaction. One manager in the cleaning company commented;

"....It is true that actions like communication of values, belief, coaching, trainings and communication of the organizational vision is not enough, a strong follow-up and appropriate rewards is needed for an individual to be loyal and perform highly ..."

Table 4: Effects of transformational leadership and transactional leadership on employees' job satisfaction

Mode	P-value	R	R ²	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	P=000	.519	.269	B	Std. Error	Beta		
1	(Constant)			-.006	.070		-.084	.933
	Transformational leadership			.295	.106	.295	2.795	.006
	Transactional leadership			.261	.106	.261	2.471	.015

Source: Field data (2017)

Discussion of findings

The results of the study indicated that there is a strong relationship between the transformational leadership and overall employees' job satisfaction ($R>0.5$; $R^2=. 27.9\%$). Other studies that arrived at the similar findings were (Lee, Cheng, Yeung, & Lai, 2011; Thamrin, 2012; Mohammad, AL-Zeaud, & Batayneh, 2011; Tseng & Kang, 2009; Northouse, 2013; Saleh & Elgelal, 2014). Again, Avolio & Bass (1988), reached at the same findings suggesting that to grow organizational commitment, morale, job loyalty, performance and attitude on the employees, implementing transformational leadership behavior is deemed necessary, it is more accurate when the behavior that articulates mission, and provide the right model for the followers, cultivate demand-objective of the group, and individual support which are idealized influence characteristics..

The contribution of individual variable in the study revealed that idealized influence and intellectual stimulation were significant and indicated a positive relationship with employees' job satisfaction. Various researchers have found the similar results. When employees are managed in a system that makes them observe the norms, values and with the leaders whom they consider

their role model, they develop a sense of satisfaction towards their job (Fombrun et al., 2001; Kirkman & Rosen 1999; Men 2011). On the other hand, the results indicated that there is negative but no significant relationship between individualized consideration and employees' job satisfaction contrary to Loganathan (2013) who supported that all the variable are significant and positively related to employees' job satisfaction, the findings established a new idea that individualized consideration variable has no substantial influence on employees' job satisfaction. The new findings may be due to contextual difference of where leadership is practiced and nature of the organization it being private, public, international or local company.

On the other hand, the findings of this study indicate a strong and significant relationship between transactional leadership and employees' job satisfaction ($R > 0.5$; $R^2 = 27.1\%$). The findings are in consistency with the findings by Pradeep & Prabhu (2011) and Nguni (2006) who detailed that transactional leadership contribution to employees' job satisfaction which eventually led to job performance and job loyalty. Specifically, the findings of this study presents that MBE-Active is likely to increase the willingness of employees to put forth extra efforts for task completion as job satisfaction facet. The results of this study further indicated that MBE-Passive is not significant and show the negative relationship with job satisfaction. This is contrary to the findings of the study conducted by Akhigbe et al. (2014) and Nguni (2006) that, there is a significant relationship between all attributes of contingent rewards, MBE- active and MBE-passive and overall employees' job satisfaction. The insignificant relationship of MBE- Passive can be established in the local private companies which may be due to contextual factors.

Lastly, the results of this study have shown that the Tanzanian local private companies that there are strong relationships between overall employees' job satisfaction and transformational leadership comparable to transactional leadership. There is also a different effect between transformational leadership and transactional leadership on job satisfaction. In this case, the results showed that transformational leadership best drive subordinates towards high job satisfaction more than transactional leadership. It was also proved that there is a statistically significant difference in employee satisfaction under transformational leadership as opposed to the transactional and charismatic styles (Mujkic, Sehic, Rahimic, & Jusic, 2014). In another previous study, both leadership styles had also been shown have an effect on job satisfaction but the transformational leadership style was found to behave higher leadership outcome compared to transactional leadership (Hanaysha et al., 2012; Limsila & Ogunlana, 2008).

Conclusion and Implications

Leadership is viewed as one of the fundamental drivers of organizational success for both now and the future. Organizational success is achieved through the willingness and active participation of job satisfied employees. Therefore, the role of a leader is pivotal in maintaining this chemistry. Today's fast changing environment needs leaders who are creative, visionaries and capable of dealing with turbulent change rather than only engaging in material exchange between leaders and subordinates. It calls for leaders who empower followers, set challenging expectations and achieve higher performance. From the findings, it can be concluded that leaders who are likely to succeed in such environment are those who train, coach others and encourage followers to be creative and innovative (intellectual stimulations), communicate his beliefs, values, fair principles and set good example to followers (idealized influence), set the targets with appropriate rewards when achieved (contingent rewards) and actively make a close follow up to everything that is going on in the organization (MBE-Active).

This does not, however, mean that the issue of situation is neglected. This simply means that both transformational leadership behaviors (intellectual stimulation and idealized influence) and transactional leadership behaviors (contingent rewards and MBE-Active) should be the most frequently used in leadership. It can further be concluded that if leaders frequently use more of transformational leadership behaviors than transactional leadership behaviors they will enhance the satisfaction of their subordinates in their organization because the style is observed having more influence on overall employees' job satisfaction. Another trend in the leadership field observed from the study is that the degree of leadership style influence on job satisfaction is varying among the leadership attributes. Therefore a combination of the three attributes (idealized influence, inspirational motivation and intellectual stimulation) and two behavioral attributes of transactional leadership (contingent rewards and MBE-Active) is desirable for improvement of employees' job satisfaction in the Tanzanian local private companies.

The other observed trend from the above study findings is that two attributes of leadership, MBE-Passive from transactional leadership and individualized consideration from transformational leadership have no significant influence on employees' job satisfaction. In this regard, leaders of the local private companies in Tanzania are advised that the two behaviors do not serve the interests of the current local companies' reform process. Therefore, it is necessary for leaders not to practice the MBE-passive and individualized consideration.

Based on the results, discussion and conclusions above, the following recommendations are made:

- Firstly, the leaders of the local private organizations in Tanzania should use idealized influence in leading their followers. The leaders need to develop their self-norms, values, beliefs, principles and respect as aspects of personalities that are explained developing trust, respect and makes a leaders set a good example to followers (role model). These actions by the leader are found capable of improving job performance of the followers, generate a sense of loyalty to the organization among employees and eventually improves satisfaction of the employees.
- Secondly, the leaders should use intellectual stimulation behaviors in their daily management processes. A well-designed creative and innovative thinking models to stimulate the level of thinking of their subordinates. The utilization of the proper problem solving guides and troubleshooting techniques should involve all the subordinates under the leaders who are affected by the chronic problem. Employees should be adequately trained to apply and utilize such techniques. A Training Needs Assessment (TNA) plan should be designed for identification of the training and development needs of individual employee. The learning and development practitioners have to set up on the TNA plan for provision of appropriate training in the skills lacking areas. Training should always be progressive as a tool for continuous improvement. All these recommended initiatives are found capable in arriving at the employee job satisfaction.
- Moreover, Managers of the local private companies in Tanzania should take steps to make sure that that they offer contingent rewards by providing employees with favorable rewards as a transaction mechanist to their efforts in performing their duties and contribution at work, a mode of responsibility for not reaching performance should also be designed and clarity of what should be received by a subordinate upon reaching performance. This behavior of the

leader is capable of retaining potential employees, developing their job loyalty as the facets of employees' job satisfaction

- Lastly, managers of the local private companies in Tanzania should make sure processes, procedures, and every aspect of business operations is solely and actively taken into consideration. (MBE-active). Leaders have to take step in focusing to all mistakes and deviation from behavioral and material standards given to their subordinates. This aspects in deemed necessary is improving performance of the employees, making employees loyal to organization and achieve their overall job satisfaction. On the other hand, waiting for things to go wrong to take action (MBE-passive) makes employees feel unsatisfied.

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