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**EFFECT OF TRANSFORMATIONAL AND TRANSACTIONAL  
LEADERSHIP ON JOB SATISFACTION:  
A CASE OF AFGHANISTAN INVESTMENT SUPPORT AGENCY**

**A Research Thesis**

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### **Declaration**

**I, hereby declare that the research thesis submitted to Addaiyan Journal of Arts, Humanities and Social Sciences for publication by me is my own original work. I am aware of the fact that in case my work is found to be plagiarized or not genuine, Addaiyan Journal of Arts, Humanities and Social Science has the authority to reject my research work publication.**

**Mirwais Ahmadzai**

**Date: 24th Nov, 2019**

*Dedication*

**This research Work is  
Dedicated to  
My Parents, Teachers, and Family  
For  
Their inspiration and encouragement  
Towards me  
That made it Possible to  
Accomplish the work.**

### **Acknowledgment**

I would also like to acknowledge and say a lot of thanks to my respected supervisor Professor Dr. Shahid Jan Kakakhel for extending his help, scholarly advice, support, useful comments, continuous encouragement, kind supervision and timely checking of my manuscript throughout the course of research study. I think without his guidance and sincere efforts; I would not have been able to shape my study in this form.

Furthermore, I would like to extend my gratitude to all those individuals who helped me in completing my task specially my friends. At the end I would not forget to thanks my loving parents who always supported and encouraged me throughout my educational career.

### List of Acronyms and Abbreviations

<b>A</b>	=	<b>Agree</b>
<b>AFS</b>	=	<b>Afghani Currency</b>
<b>AISA</b>	=	<b>Afghan Investment Support Agency</b>
<b>D</b>	=	<b>Disagree</b>
<b>EXJS</b>	=	<b>Extrinsic job Satisfaction</b>
<b>INJS</b>	=	<b>Intrinsic job Satisfaction</b>
<b>INJS</b>	=	<b>Intrinsic job Satisfaction</b>
<b>HR</b>	=	<b>Human Resource</b>
<b>JS</b>	=	<b>job Satisfaction</b>
<b>JSS</b>	=	<b>Job Satisfaction Survey</b>
<b>NAND</b>	=	<b>neither Agree nor Disagree</b>
<b>SA</b>	=	<b>Strongly Agree</b>
<b>SD</b>	=	<b>Standard Deviation</b>
<b>SD</b>	=	<b>Strongly Disagree</b>
<b>SPSS</b>	=	<b>Statistical Package for Social Science</b>

## Table of Contents

<b>Title Page .....</b>	<b>i</b>
Declaration.....	ii
Dedication.....	iii
Acknowledgment.....	iv
List of Acronyms and Abbreviations .....	v
Table of content.....	vi
Abstract.....	viii
<b>Chapter 1: Introduction .....</b>	<b>1</b>
1.1 Background of study .....	1
1.2 Problem Statement.....	5
1.3 Aim of Study .....	6
1.4 Objectives of Study .....	6
1.5 Research Questions.....	6
1.6 Significance of Study.....	7
1.7 Structure of Thesis.....	7
<b>Chapter 02.....</b>	<b>8</b>
2.1 Literature Review.....	8
2.2 Transformational Leadership.....	14
2.2.1 Charisma/Idealized Influence.....	16
2.2.2 Inspiration.....	16
2.2.3 Individualized Consideration.....	17
2.2.4 Intellectual Stimulation.....	18
2.3 Transactional Leadership.....	18
2.4 Job Satisfaction.....	19
2.4.1 Pay.....	20
2.4.2 Promotion.....	20
2.4.3 Supervision.....	20
2.4.4 Fringe Benefits.....	21
2.4.5 Contingent Rewards.....	21
2.4.6 Working Conditions.....	21
2.4.7 Nature of Work.....	21
2.4.8 Communication.....	21
2.5 Theoretical Framework.....	22
<b>Chapter 03: Research Methodology.....</b>	<b>23</b>
3.1 Research Approach:.....	24
3.2 Research Strategy.....	25
3.3 Research Design:.....	26
3.4 Population of the study:.....	27

3.5 Sampling:.....	28
3.6 Research Instrument.....	29
3.7 Data Collection:.....	31
3.8 Data analysis:.....	31
3.8.1 Correlation Analysis:.....	31
3.8.2 Regression Analysis.....	32
<b>Chapter No 04: Results and Data analysis .....</b>	<b>34</b>
4.1 Response Rate:.....	34
4.2 Demographics of Respondents.....	35
4.2.1 Gender Distribution of study:.....	35
4.2.2. Age Distribution of Respondents:.....	37
4.2.3 Education distribution of Respondents:.....	38
4.2.4 Distribution of Work Experience.....	40
4.2.5 Salary Distribution:.....	41
4.2.6 Marital Status of Respondents.....	43
4.3 Descriptive Statistics analysis:.....	44
4.4 Reliability of Questionnaire.....	45
4.5 Correlation Analysis:.....	46
4.5.1 Pearson Correlation between Transformational leadership Style and Job Satisfaction:....	48
4.5.2 Correlation between Job satisfaction and Transactional Leadership:.....	49
4.6 Regression Analysis.....	50
4.6.1 Effect of Transformational Leadership and level of job satisfaction.....	51
4.6.2 Relationship between Transactional Leadership a and level of job satisfaction.....	53
4.6.3 Multiple regression analysis .....	56
4.7 VIF test for Multicollinearty .....	58
<b>Chapter 05: Conclusion and Recommendations.....</b>	<b>59</b>
5.1 Conclusion:.....	59
5.1 Recommendations:.....	61
5.2 Limitations of study and Recommendations for further Research.....	62

### **Abstract**

This aims to examine the effect of transformational and transactional leadership style on level of Job Satisfaction of employee working in six regional offices of Afghanistan investment Support Agency. Data was collect from 150 working employee through an adopted questionnaire from as elected through stratified Random Sampling. Pearson Correlation and Regression analysis are used as statistical techniques for data analysis. The findings of the study show that both transformational and transactional styles have a positive and significant impact on job satisfaction. It is also worth to mention that the transformational leadership has highly significant impact on job satisfaction as compared to transactional leadership style. The policy implications of study for Afghanistan investment Support agency is that transformational leadership style should be promoted for increasing the level of job satisfaction among employees.

**Keywords:** Transformational leadership, Transactional Leadership, job satisfaction, Afghanistan Investment Support Agency.



## Chapter 1

### INTRODUCTION

#### 1.1 Background of study

Human resources are considered as much and more important resources than any other resources in the organization for the organizational success (Mosadragh, 2003). Merely having human resource cannot give a competitive edge to an organization in performance but the human resource should be satisfied. It is commonly believed that satisfied workers are most productive and most contributing the fulfillment of the organizational goal. There are various factors which can lead to job satisfaction of employees in an organization. It can be traced from the existing body of literature that the effect leadership style of manager has a significant impact on the job satisfaction of employee.

Employees' job satisfaction and an effective leadership are the rudiments for the accomplishment of organizational goals effectively and efficiently. Effective leadership envisions, direct and coordinate all organizational efforts and influence the behavior of followers in a desire for ensuring organizational success. Most of the time, have highly satisfied employee can give a competitive edge to an organization. The employee with a higher level of job satisfaction will exert more efforts for accomplishing assigned goal and organizational success. Mosadegh Rad & Yarmohammadian, (2006) argue that an organization can retain their key and capable employee for a longer period by keeping them satisfied with their job. Various studies have been conducted to examine the relationship between leadership style and job satisfaction and the findings show that leadership styles of managers have a significant effect on job satisfaction and organizational commitment. High job satisfaction enhances employee's psychological and physical well being (Ilardi, Leone, Kansser, &

Ryan, 1983) and positively affects employee performance (Vroom, 1964; Porac, Ferris, & Fedor, 1983).

Mosadegh Rad and Yarmohammadian (2006) defines job satisfaction as the specific attitude of the employee towards his/ her job and the organization which employs him/her. It can be traced from the existing body of literature that various organizational contextual factors (Pay, promotion, working condition, job security, leadership style of manager, organizational policy etc.) Have a significant impact on job satisfaction of employee. The leadership style of a manger is also a prominent factor which can affect the job satisfaction of employee. A leader can adopt an appropriate leadership style to influence the job satisfaction, organizational commitment, and organizational performance. Earlier studies have examined the relationship between employee job satisfaction and leadership behavior in different settings such as healthcare, military, education and business organizations (Cook, Wall, Hep worth, & Warr, 1989; Bass, 1990; Chen & Silversthorne, 2005).

Advani and Abbas,(2015) studied the relationship between the leadership qualities and performance of banks in the banking sector of Pakistan in a research. The findings of their research revealed that both transactional and transformational leadership styles are necessary for the level of job satisfaction increment in the banking sector. In another research, conducted by Arzil and Farahbod (2014), found in their research, about the relationship between leadership styles and job satisfaction specifically in hospitality, information and communication technologies industries and in manufacturing. On the basis of the literature review as per best knowledge of the author, it is believed that no research has been conducted in Afghanistan in the area of Leadership and management. This gap will be filled by this research by studying the impact of leadership style on job satisfaction in Afghanistan investment Support Agency. Thus the purpose of this study is to examine the prevailing leadership style impact of transactional leadership style and Transformational leadership style on job satisfaction of employees working in Afghanistan Investment Support Agency.

Management of people in the organizations will be effective and efficient if the leadership style is effective (Albion & Gagliardi, 2007). An effective Leadership helps the organization to connect the human resources with each other and work together. Different organizations are working on leadership to create familiarization of leadership. Transformational leadership is considered as a modern leadership style in this era because it plays an important role in the success of an organization. According to Hall et al. (2008), transformational leadership is an effective system of changing the behaviors of followers towards the accomplishment of the organizational goals.

Both positive and negative impacts are seen of leaders on their employees. The leaders are required to develop a friendly environment in the organization and leave out the autocratic leadership (Dess et al., 1998). In autocratic leadership, employees are not supported by the management, open communication, and open environment is always discouraged. While in transformational leadership there is always an encouragement for creating and implementing open environment in which employees are supported and they are shared with the organizational mission and visions by the leaders. Leaders motivate their employees to bring new ideas and communicate openly for the success of the organization. These factors are related to transformational leadership style which helps the organization to strengthen and increase the level of job satisfaction of employees.

The main aim of this research will be to examine the impact of transformational and transactional leadership styles on employee's job satisfaction in construction sector projects. Hui, Jenatabadi, Ismail, Mohamed Radzi (2013) conducted a research on examining the relationship of leadership styles of principles with those of job satisfaction of teachers in China. the sample size selected for this study was 539 out which 180 questionnaires were sent to primary schools, 172 questionnaires were distributed among secondary schools and 187 sent to high schools in Chinese province Zinjiang. Structure equation modeling which is used for finding out the linkages between the two variables was used to examine the relationship between principles leadership styles with those of

teachers' job satisfaction. The conclusions of this study expressed that there is a positive relationship among the principles' leadership styles and job satisfaction of teachers in the different schools. The findings of this research also stated the decision-making process that principles made about the teachers' job satisfaction. Therefore, the results found out that principles, by making the decision-making style can increase the level of job satisfaction of teachers.

Sadeghi and Pihie (2013) conducted another research in the Malaysian universities about examining the impact of transformational leadership style on the job satisfaction of lecturers. The sample selected for this research was based on the lecturers who included professors, associate professors, and lecturers from different universities in Malaysia. The quantitative descriptive research design was used by the researcher in this study. The researcher used two important aspects inspirational motivation and idealized influence that are the important determinants of transformational leadership style. Inspirational and Idealized influences were implemented on the departmental heads in universities. The findings of this research revealed that administrators and departmental heads by adopting the transformational leadership style may bring increase the lecturers' job satisfaction.

Job satisfaction is the positive feelings of employees regarding their jobs. Those organizations are considered most successful in which the level of job satisfaction of employees is higher. As much as the employees are satisfied in the organization, the more productions and profits will be gained by the organizations (Saari & Judge, 2004). Job satisfaction brings positive relationships among the individuals of organizations, it improves the performance of employees and brings good culture to increase the profit of the organization. Most of the ideas are brought by the motivated employees to the organization for its success and these employees are mostly motivated by job satisfaction.

## 1.2 Problem Statement

To examine the prevailing leadership style impact of transactional leadership style and Transformational leadership style on job satisfaction of employees working in Afghanistan Investment Support Agency.

Effective leadership and Employee job satisfaction are prerequisites for organizational success. Effective leadership envisions, direct and coordinate all organizational efforts and influence the behavior of followers in a desire for ensuring organizational success. Employees satisfied from their job will exercise more effort for achieving assigned goals. Mosadegh Rad and Yarmohammadian (2006) claims that an organization can retain their employee for a longer period by keeping them satisfied with their job. Various studies have been conducted to examine the relationship between leadership style and job satisfaction and the findings show that leadership style of managers has a significant effect on job satisfaction and organizational commitment. High job satisfaction enhances employees' psychological and physical well-being (Ilardi, Leone, Kansser, & Ryan, 1983) and positively affects employee performance (Vroom, 1964; Porac, Ferris, & Fedor, 1983). It can be traced from the existing literature that various organizational contextual factors (Pay, promotion, working condition, job security, leadership style of manager, organizational policy etc.) Have a significant impact on job satisfaction of employee. The leadership style of the manager is also a significant factor which can affect the job satisfaction of employee. A manager can adopt an appropriate leadership style to influence the job satisfaction, organizational commitment, and organizational performance. Earlier studies have examined the relationship between employee job satisfaction and leadership behavior in different settings such as healthcare, military, education and business organizations (Cook, Wall, Hepworth, & Warr, 1989; Bass, 1990; Chen & Silversthorne, 2005). Advani and Abbas (2015) studied the relationship between the leadership qualities and performance of banks in the banking sector of Pakistan in a research. The findings of their research

revealed that both transactional and transformational leadership styles are necessary for the level of job satisfaction increment in the banking sector. In another research conducted by Arzil and Farahbod (2014), found about the relationship between leadership styles and job satisfaction, specifically in hospitality, information and communication technologies, industries, and in manufacturing. On the basis of the literature review and as per best knowledge of the author, it is believed that no research has been conducted in Afghanistan in area of Leadership and management. This gap will be filled by this research by studying the impact of leadership style on job satisfaction in Afghanistan investment Support Agency. Thus the purpose of this study is to examine the prevailing leadership style impact of transactional leadership style and Transformational leadership style on job satisfaction of employees working in Afghanistan Investment Support Agency.

### **1.3 Aim of Study**

The primary focus of this research study is to examine the effects of transformational and transactional leadership styles on the level of job satisfaction of employees in Afghanistan investment Support Agency.

### **1.4 Objectives of Study**

This study will meet the following objectives of the study:

- To specify the prevailing leadership style in Afghanistan Investment Support Agency.
- To examine the effect of transformational and transactional leadership styles on the level of job satisfaction in Afghanistan Investment Support Agency.

### **1.5 Research Questions**

The following research questions are developed on the basis of above objectives of the study in order to conduct the systematic research process.

1. What types of leadership styles are prevailing in Afghanistan Investment Support Agency?

2. What degree of the leadership style of a manager can affect the level of job satisfaction in Afghanistan Investment Support Agency?

3. Among transformational and transactional, which type of leadership is desired for a manager by employees in Afghanistan Investment Support Agency?

### **1.7 Significance of Study**

The study aims to examine the impact of transformational and transactional leadership style on the job satisfaction and also determine that which type of leadership style has more significant impact on the level of job satisfaction. The empirical findings of the study will contribute to the effectiveness of an organization. Afghanistan being a war affected and the underdeveloped country lacks the culture of research, as per author knowledge it will be the first empirical academic research in area leadership and job satisfaction. Thus findings of this study can provide a ground for other researchers in future.

Afghanistan investment Support agency is one of the largest public sector organization having hundreds of employee and have operations in all 34 provinces of Afghanistan. The finding of study will let organization to adopt and appropriate leadership style and understand the drivers associated with job satisfaction of employee. Other researchers conducting similar studies will be able to compare their results to this study. This study will also add new knowledge to the existing academic and professional knowledge about the leadership styles and job satisfaction.

### **1.7 Structure of Thesis**

This research is composed of the following chapters:

- Chapter No 01      Introduction
- Chapter No 02      Literature Review
- Chapter No 03      Research Methodology
- Chapter No 04      Data Analysis and Findings
- Chapter No 05      Conclusion and Recommendation

## Chapter 2

### LITERATURE REVIEW

#### 2.1 Literature Review

Northouse (2007) defines, “Leadership is a process through which an individual influence a group of people to attain common goals”. Now effective managers are not too much dependent of their legitimate power to influence the behavior of their employee but they can influence the behavior of their employee in a desired manner by managing, interacting and supervising them with an appropriate leadership style (Northouse, 2007). It can be traced in literature with empirical evidence that leadership styles have a significant impact on the behavior of employees. Since 1990 transactional and transformational leadership styles identified by (Burns, 1978; Bass, 1985) are the utmost important and are most commonly used and examined in business research and leadership studies

According to Krishnan (2012) is a relationship where the leaders envisage their employees to understand the current scenario and develop future visions and increase their inspiration, motivation, loyalty for organizational objectives. The transformational leadership shows dependency, trust, respect and appreciation for their employee and has the skill to encourage their employee’s behavior in such a way that results in more work contentment and high organizational productivity (Givens, 2008). They assist their employees to be creative, innovative, ingenious and adjustable to the different



environmental conditions within the organization (Furkan, Kara, Tascan, & Avsalli, 2010) and attempt to avoid the risks of occurring work related snags (Berson & Avolio, 2004).

The literal meaning of word transaction is to “exchange” the transactional leadership style refers to the exchange between a leader and his followers. Naidu & Van der Walth (2005) argue that the transactional leadership is a relationship between a leader and his subordinates where a leader exchanges a punishment or reward with his subordinate for performing a task, productivity, loyalty, efficiency and effectiveness in organizational tasks.

Robbins (2003) claims that employees are not highly satisfied and turnover intentions are high with the transactional leadership style than with the transformational leadership. Karanja, Mugwe, & Wanderi, (2013) examined a research in Nakutu District Kenya on finding out the effects of leadership styles on school teachers' job satisfaction in secondary schools. The sample size for this study was 274 and questionnaire and interviews were used to collect data. The findings of this study concluded that various types of leadership styles may be used in different situations. This study concluded that in different situations different leadership styles are preferred. The findings of this study can be utilized by the school management, educational ministries to help these organizations to give a higher level of job satisfaction to their employees by selecting the best and needed strategy.

Nadarasa and Thuraisingam, (2014) used democratic and autocratic leadership styles in their research in schools. Descriptive research design was used in this study and data collection was totally based on primary data. The findings of this study showed that autocratic leadership style has no positive relations with job satisfaction. Autocratic leadership style has negative impacts on the teachers' job satisfaction in the schools and democratic leadership styles have positive impacts on the level of job satisfaction.

Sola Fajana, (2002) states in his book of Human Resource Management that management considers both motivation and job satisfaction are critical issues. He said that these two issues are linked with each other closely but they have some differences as well. He urged that these two factors may increase the organizational productivity and help the organizations to decrease the turnover ratio. Frederick Herzberg, 2008 conducted a research in which he found out that the dependence of job satisfaction is on two important factors one is Hygiene and second is motivation. Afterward, Harvard Business School concluded from a research conducted on the same phenomena and found the same results about the dependence of job satisfaction on hygiene and motivation. Herzberg from his research also discovered that the management should consider the hygiene factors regarding their employees in the organization or this will create job dissatisfaction among employees. He argued that the organizations should make the policies clear to their employees if not then it will have the negative impact on the job satisfaction of their employees. Employees motivation is not only possible with monetary benefits given by the organization, but the organizations should also consider some other factors as well to motivate their employees (Herzberg review, 2008). The main purpose of this research is to find out the effects of styles of leadership on job satisfaction.

Several researches are conducted on job satisfaction of employees to find out the determinants of job satisfaction that increase the organizational performance (Hungra, Chuni, Aslam, Azam and Rehman, 2005). To the know the impacts of transformational and transactional leadership styles on employee performance has always been an area of interest for researchers to conduct researches (e.g., Awamleh & Gardner, 1999; Bass, 1985; Conger & Kanungo, 1987; House, 1997). These two leadership styles, transformational and transactional leadership styles gave the organizations many important desired results (Kirkpatrick and Locke, 1996). Both employees' motivation and effectiveness is affected by the transformational leadership (e.g., Bass & Avolio, 1990; 1994). In this multicultural environment, the main focus of this research will be on transformational and transactional leadership

styles because very little research is conducted in this leadership area so this research will fill this gap. In UAE business environment a research design was developed and implemented in order to know the effects of transformational leadership style on job satisfaction and employee's performance. In these study, more than 120 nationalities of the diversified workforce were selected as sample.

Job of an effective is to accomplish the organizational objectives and use the resources of the organization effectively and efficiently. Many organizations face failure because of not having qualitative leadership in the organizations. Transformational leadership can solve this issue by implementing it. Transformational leadership is defined as values, needs, aspirations, and priorities to be fulfilled by the leaders in order to motivate their followers towards the achievement of organizational goals. In today's cross-cultural environment or in any situation and in any organization transformational leadership can be used.

Transformational leadership may play an important role in meeting the requirements of complex jobs in the organizations. The different characteristics of transformational leadership may help the employees to fulfill their desired objectives. Organizational commitment is an important requirement for the application of transformational leadership style in the organizations.

Leadership is defined as the communication process among leaders and followers, where followers are influenced by their leaders in order to make them able to accomplish organizational goals (Northouse, 2010); Yukl, (2005). In this era, rapid changes occur with time to time due to the dynamic environment and diversified workforce in the organizations but transformational leaders have the capability of making the followers able to achieve the organizational goals with strong commitment and in high risky and uncertain environments where transformational leaders meet their followers needs and requirements through rewards systems and praises and promises with their followers (Northouse, 2010).

Fred C. Lunenburg & Allan C. Ornstein, (2011) argued that in the twentieth-century leadership has become a widest area of research for researchers because of its role in the success of every kind of organizations like schools, nation, and society. Al-Ababneh, (2013) said that leadership is a determinant of job satisfaction. Cumming et al., (2010) stated all those organizations fail to avail the best efforts of their employees where leaders do not consider the feelings of their followers.

Leadership is considered as a complex concept and it is very hard to describe it like other human activities. Lethwood et al., (1990); Yukl (2002) stated that no specific definition is available upon which all the researchers agree. Many views of the researchers have made the leadership's science and arts limited. Cuban (1988), urges that as there is no specific definition of leadership, it is difficult to determine the differences between the leaders and non-leaders. It is very important for being specific about leadership to have a specific definition. According to an analyst, leadership is the effective and systematic process of keeping employees motivated to reach the organizational goals. Both leaders and followers are required for the success of every organization.

Bennis and Nanus (1985) urges leadership is a process of motivating the employees in such a way that employees do their jobs with willingness and happiness to achieve the organizational goals. Owens (2001) says leadership is all about working with the people and through the people in order to reach the desired outcomes; Leadership is to create and develop strong mutual relationships and building strong understanding between both leaders and their employees that help the organizations to meet their objectives Rost, (1991). Cuban (1998) defined leadership as the steps of bringing the efforts and feelings of employees to get the organizational goals. The above given all definitions summarize that leadership is the process of using such leadership behavior that changes the follower's behaviors towards the organizational goals.

Kuchler, (2008) says the concept of leadership is discussed many times by researchers in the world. Jong and Hartog (2007) defines leadership as to change the behavior of people and move them towards the goals that organization expects to achieve. Leadership helps the organization to reach the desired results. Lok and Crawford, (2004) said leadership can determine the success and failure of an organization. It describes that effective leadership will get the organization towards the success and if the leadership is ineffective and weak then organizations may lead towards the failure.

Gill (2006) contributed it to the leadership knowledge that the required performance of the organization can be achieved only with the help of effective leadership by motivating and encouraging employees. Leadership is further divided into different types of styles. Mosadeghard (2003) brought to the knowledge of leadership that autocratic, laissez-faire, charismatic, democratic, participative, bureaucratic, situational, transactional, and transformational leadership are various types of leadership. The main focus of this research is on transformational and transactional leadership styles.

The four components which are considered as the most important components of leadership are derived from the above-given definitions, they are influencing others, keeping followers active, directing the followers and changes in the organization to achieve the organizational goals (Rost, 1991). Leadership may also be described as a system of combined steps which is composed of changing the people's behaviors in the organizations, information sharing with people, getting feedbacks from the people and bring changes in the organization that helps the organizations to get their desired objectives. Kotter, (1990) defined leadership as an effective process that brings the leaders and followers together and develops mutual understanding and feelings for the attainment of the goals. The today's competitive environment requires the mutual struggles of both leaders and employees that will lead them to bring innovative changes in the organization for its success. Leadership is winning the

hearts of people by coaching the employees, motivating the employees and supporting the employees, it is not only applying the power and authority.

Nnadi's (1997) defines that those leaders are effective who are visionary, bring innovations in the organization, create a friendly and supportive working environment, working with people, responsibilities sharing with employees, trust building with workers, and doing hard work for the success of the organization. Leaders are the ones in the organization who give their employees guidelines, developing a creative team, leading the team to get success. Leadership is not working through people, it means to work with followers and creating a sense of mutual interests among leaders and their followers in order to accomplish the demands of the organization.

## **2.2 Transformational Leadership**

In transformational leadership theory employees or individuals are influenced by leaders in such a way that each and every follower cares about each other's' interests and work for the achievement of mutual objectives Warrilow, (2012). Transactional leaders work for getting tangible rewards and transformational leaders struggle for making the followers creative that generate new ways to accomplish the organizational objectives Hay, (2012). Many research studies have been conducted on the concept of leadership but still, there is no concise definition for leadership (Hoover et al, 1991, Leithwood & Jantzi 1990). Burns (1978) defines leadership as the process used by leaders to increase the morality with their followers. A strong and close relationship is built among leaders and their followers by trying to build trust with one another. Graham (1991) urges that leaders by using their charismatic feature they can develop the high-level skills of their followers that enable them to attain the leaders' desired results. Leaders by adopting and implementing transformational leadership style create feelings of taking care of interests of each other and both struggles for the success of an organization.

Leithwood (1992) describes transformational leadership as a creative process of introducing an innovative and creative environment to renew the organizational mission and vision statements so that some new innovations are brought to the organization, the commitment level of followers with organization is also strengthened by transformational leadership style which is used to achieve the goals of organization. He further says that transformational leadership enables their followers to increase the productivity by capacity building of the followers and to make the followers committed with the organization. It is concluded from the above definitions that transformational leadership work on employees and enable them to focus on their work and jobs in an organization.

Transformational leadership has the ability to lay down innovative vision in the organization which motivates employees to work in the competitive environment and gets higher benefits. Leithwood (1992) and Fullan (2001) studied transformational leadership style and came with a new theory on it from which they derived that this type of leadership can be used in educational settings but in the old day's transformational leadership was implemented in the business environments. From the above definitions, it is expressed that transformational leadership is related to all those efforts that leaders use in order to change the employees' behaviors in a very polite and gentle way which will make the followers more satisfied and committed and this satisfaction and commitment lead both leaders and followers to reach the organization to its mission, vision and goals.

Burns (1978) introduced the concept of transformational leadership for the very first time. Burns urged that this leadership style was found when many leaders in the organization encouraged their followers for the achievement of organizational objectives. He further described that transformational leaders used various factors like motivation, morals, beliefs, perceptions and coalition to encourage employees and increase the employees' job satisfaction which leads them to achieve the organizational results.

Bass and Avolio (1995) worked on the concept of transformational leadership in their further researches and introduced the major four components by the name of charisma, inspiration, Individualized consideration and intellectual stimulation. These four main components are described below with more details.

### **2.2.1 Charisma/Idealized Influence**

Charisma is a Greek word which means a gift of grace. The exemplary role of a leader in the organization that he/she plays is referred to as charismatic authority Conger & Kanungo, (1987). This charismatic feature is not possessed by every person; it is said as God gifted feature that a leader has. This charismatic feature makes a leader as a supernatural, superhuman or extraordinary power of a leader that distinguishes him/her from the rest of people (Weber, 1968:63).

Max Weber who is a German thinker says charismatic authority is unique. This feature may change the situation according to the required needs. Charismatic authority is different from rational and traditional authorities. The charismatic feature may bring innovative changes as required while rational and traditional authorities are based on the specific procedures that must be followed.

House developed a list of various features included in the charismatic leader which are self-confidence, high morals, and his/her ability to change the follower's behaviors and develop high-level trust with leaders. Leaders having charismatic feature also share the mission and direct the organizational goals with their followers for the success.

### **2.2.2 Inspiration**

This is the second section of charismatic leadership which is called as inspiration. According to this feature of charismatic leadership, leader develops hope and enthusiasm among their followers by sharing the organizational vision with them. Such leaders having the feature of inspiration communicate the desired outcomes with their followers to achieved (Bass & Avolio, 1990).



### **2.2.3 Individualized Consideration**

One of the main purposes that transformational leaders want to create among their followers and with themselves is to build trust which is possible by treating all followers equally and giving full attention to their followers (Bass & Avolio, 1990). The expectation of the followers from their leaders is always to get understanding of their needs and expectations. To utilize the needs and abilities individuals in the favor of organization, it is important for leaders to understand those needs and abilities. It is very important for leaders to win the hearts of their followers by fulfilling their follower's needs in order to achieve the organizational desired objectives. The leaders' foremost role here is to be a coach for their followers which means that coach can understand the feelings and needs of followers and make the followers to do what the organization wants from them

#### **2.2.4 Intellectual Stimulation**

According to this feature of transformational leadership, the leader wants to make their follower be creative in order to bring those beneficial innovations to the organization which can open new ways for success and increases the organizational profits. The followers need to identify the problems first by analyzing the different situations and then tell them to creatively identify the possible solutions for solving those problems (Bass and Avolio, 1990). This intellectual stimulation led much organization towards their success destination. Employees are always involved in doing their jobs through which they are familiar with the existing environment and the possible problems they face during their working hours, they are able to further able to find out the best possible solutions because they are closely related to their jobs which give them many alternate solutions to be used to solve the problems effectively and efficiently to accomplish the organizational goals.

#### **2.3 Transactional Leadership**

Transactional leadership is the comparison made between the rewards and sanctions received by the followers of leaders. Basically, the transactional leadership is a specific behavior set between the leaders and followers in an agreement that the specific behavior will be rewarded and other behavior will be punished. Employees receive rewards in the form of salary, increments, promotions, and other financial and non-financial rewards from the management. There are also different types of penalties like demotions, fines, and terminations etc.

Therefore, it can be said that both leaders and followers are not satisfied with transactional leadership style. Transactional leadership is not an effective leadership style because it is not able to achieve the organizational goals (Bryman, 1992). Transactional leadership has not the motivational power to motivate employees towards the best performance as it is the exchange process between the leaders and their followers. Followers are not satisfied with their jobs when they have transactional

leaders under whom they perform their duties due to which the performance of the organization is not enhanced (Bass 1985; Bryman, 1992; Burns; 1978; Peters & Austin, 1985).

Different researches conducted on transactional leadership in which it is found that employees performance and job satisfaction had not a positive relationship with transactional leadership. Burns and Bass both have expressed the distinction between the two concepts that is., transformational and transactional leadership and provided specific definitions regarding both concepts. Burns (1978) describes that there is the difference between the two types of leadership transformational and transactional while Bass (1985) said they are linked to each other. Bass stated that both the characteristics of transactional and transformational leadership possessed by leaders will be effective. But Bass also discussed that transformational leadership is more effective which can meet the requirements of the organization in achieving the results (Bass & Avolio, 1990), but transactional leadership meets only the followers' basic needs.

#### **2.4 Job Satisfaction**

Job satisfaction got the attention of many researchers because it is one of the most important part of the organization (Lu et al., 2005). Researchers added much and more knowledge to help the leaders by conducting many researches. An analyst defines job satisfaction as the positive behavior of employee about the working environment in which he works. The more satisfied employees will always give maximum productivity to the organization, while unsatisfied employees show lower performance and lower productivity to the organizations. There are many organizations in which motivated employees helped them in increasing their profits but many de-motivated employees do not work for the achievement of organizational goals.

Luthans (2007) urges that job satisfaction is the positive feelings of an employee in the working environment about the job he/she performs. Those employees who are satisfied with their jobs

work for the better performance in the organization, they are found more committed and make it sure to get success to the organization (Spector, 2003).

Getting understandings of job satisfaction, the personal characteristics of individual employees to be considered is very important (Churchill et al., 1976; Staw and Ross, 1985; and Ferris, 1978). Five main dimensions regarding job satisfaction was contributed to the knowledge by Okpara, these are pay, promotion, supervision, work itself and co-workers. The commitment to the organization and satisfaction of employees can be more gained with the help of these five factors.

#### **2.4.1 Pay**

The effect of pay on job satisfaction is found higher in many researches by Lumley et al, (2011); Ali, Ahmad & Maitlo, (2012). Research studies conducted on the importance of pays for job satisfaction showed that good pays make the employees motivated and low pays employees to show a lower performance in the organization so it is said that salary and wages have impacts on job satisfaction Rajasekar & Bhuvanewari, (2014).

#### **2.4.2 Promotion**

Lumley et al, (2011) urge that promotion is the position of employees through which higher responsibilities, salaries increments, improvement in social status are gained by employees in the organization. Singh and Jain (2013) Promotional opportunities give satisfaction to the employees.

#### **2.4.3 Supervision**

Lumley et al, (2011) finds that friendly environment in the organization provided by the supervisors to their subordinates helps in listening to them, shares views with them, and praise their efforts which in the end create job satisfaction. Rajasekar and Bhuvanewari (2014) explain supervisors' behavior also affect the employee's satisfaction level.

#### **2.4.4 Fringe Benefits**

Lumley et al, (2011) expressed his views about fringe benefits that it's the combination of financial and non-financial benefits. If the supervisors offer to their employees those fringe benefits which they demand, their commitment to the organization will be increased.

#### **2.4.5 Contingent Rewards**

Appreciation, recognition, and rewards are given to those employees who perform some specific job. If employees perform some extraordinary tasks or give more benefits to the organization are not rewarded they are de-motivated and their level of commitment is also decreased Lumley et al, (2011).

#### **2.4.6 Working Conditions**

Kumari, (2011) states that with high respect and importance are given to employees makes employees more motivated. Working conditions are the practical usage by the organization of policies and procedures. Employees are dissatisfied and tired of strict policies and procedures Lumley et al, (2011). Singh and Jain, (2013) working conditions refer to that environment where employees complete their jobs. It gives employees safety, comfort, and motivation.

#### **2.4.7 Nature of Work**

It refers to the work itself performed in the organization by employees. If employees are given authority to use different skills to do their jobs and they are allowed to create new ideas for doing their jobs this will lead an open environment where employees will feel more satisfied Lumley et al, (2011).

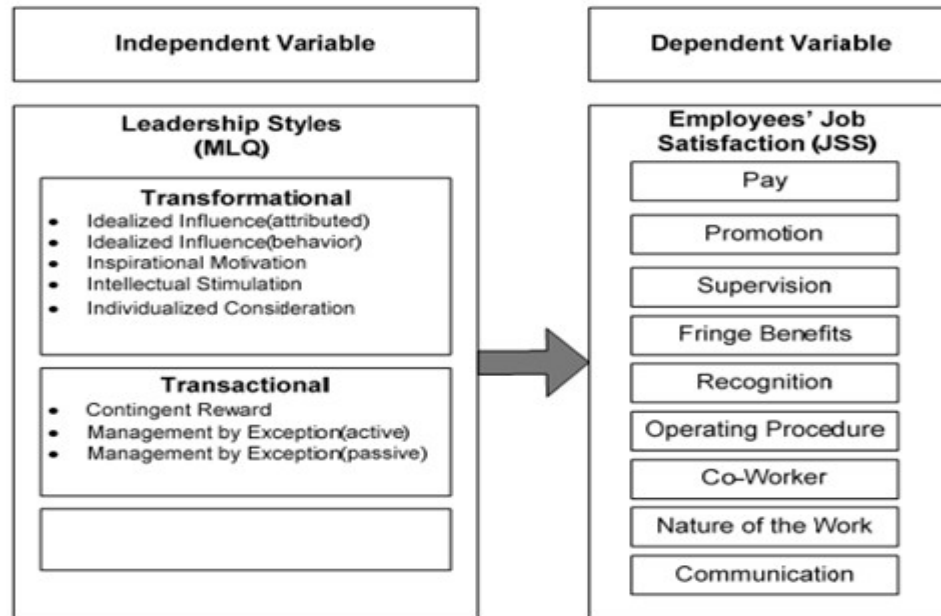
#### **2.4.8 Communication**

Kumari, (2011) describes communication that it is a vital requirement for both organization and personally for employees. Ineffective communication does not make it able to achieve the goals.

Lumley et al., (2011) urge that informal and formal both communications should be used in the organizations to meet their needs and give more satisfaction to subordinates.

## 2.5 Theoretical Framework

**Figure 1 - Theoretical Framework**



Source: created by the author for this study.

On basis of literature review and theoretical framework following hypothesis were developed.

### Hypothesis 1 :

- **H<sub>0</sub>** :There is no Significant Relationship between Transformational Leadership a and level of job satisfaction
- **H<sub>1</sub>** : There is a Significant Relationship between Transformational Leadership a and level of job satisfaction

### Hypothesis 2 :

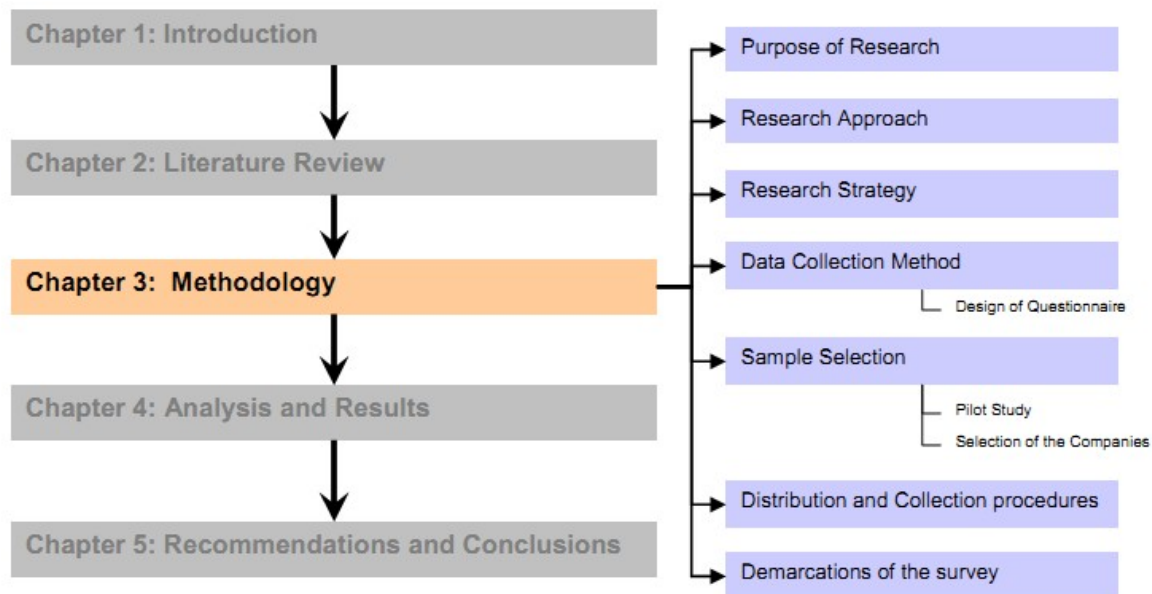
- **H<sub>0</sub>** :There is no Significant Relationship between Transactional Leadership a and level of job satisfaction
- **H<sub>1</sub>** : There is a Significant Relationship between Transactional Leadership a and level of job satisfaction

\*\*\*\*\*

### Chapter 3

## RESEARCH METHODOLOGY

In the previous chapter the thesis has discussed the existing literature and summary of previous empirical work, related theories about the leadership style and job satisfaction. This chapter will explain the detail methodology of study that how the researcher will carry on for the achievement of research objective.



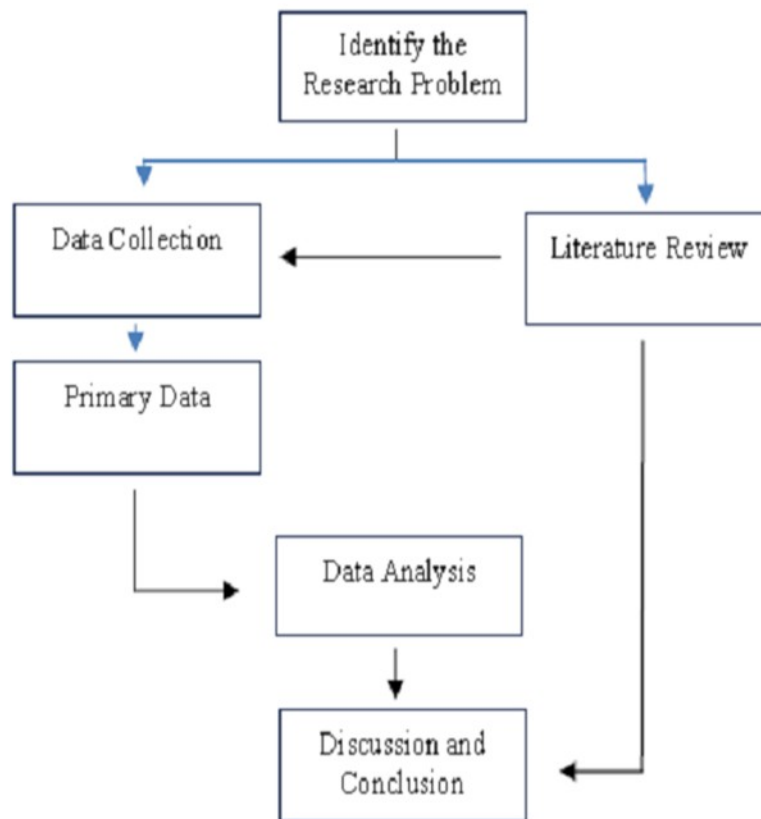


Figure 1. The research design

### 3.1 Research Approach:

Yin (1994) states that there are two main types of research approaches and methodologies that are used by researchers in the area of management and social sciences namely, qualitative research approach and Quantitative research approach. Quantitative approach used post positivist research philosophy. In a quantitative approach, data is collected from the respondents of a sample selected from a large population and data is analyzed empirically checking the validity or accuracy of theory, proposed hypothesis or phenomena (Wiedersheim-Paul and Eriksson, 1998; Yin, 1994) while the qualitative approach is following Constructivism philosophy and is mainly used in a deeper understanding and exploration of a research problem, Qualitative data about feeling, attitude, behavior, ideas and different phenomena are collected through questionnaire, interview, narrative stories and observation.



### 3.2 Research Strategy

Saunders et al., (2000) defines research strategy as a plan that explains how a researcher will carry on his research for the achievement of the research objectives and answering research questions. There are several strategies that can be traced from literature. Yin (1994) has identified the following five major strategies that are mostly used in social sciences research:

I. Experimental Research strategy

II. Survey Research Strategy

III. Archival Research Strategy

IV. Historical research Strategy

V. Case study

According to Yin (1994) selection of any strategy among above five research strategies depends on the following three conditions:

- I. The type of research question posed.
- II. The extent of control the investigator has over actual behavioral events.

**Table 3.1: Relevant Situations for Different Research Strategies (Yin, 1994)**

Research Strategy	Form of Research Question	Requires control over Behavioural Events	Focuses on Contemporary Events
Experiment	how, why	yes	yes
Survey	who, what, where, how many, how much	no	yes
Archival Analysis	who, what, where, how many, how much	no	yes/ no
History	how, why	no	no
Case Study	how, why	no	yes

- III. The degree of focus on contemporary as opposed to historical events

I.The nature of this study fulfill all conditions of survey research strategy according to Yin (1994)

All three research questions of the study starts with “what“ and third questions with “which”.

II.Not control is required; behavioral control is required on the behavioral event.

III.The research focus on the contemporary events.

In case of this research study the Survey is selected as main research strategy for achievement of the research questions and answering the three research questions of the study.

### **3.3 Research Design:**

The study aims to examine the impact of transformational and transactional leadership style on level of job satisfaction of employees working in Afghanistan investment Agency. The study is based on primary data collected through an adopted questionnaire. Questionnaire used in study is a multifactor leadership questionnaire, developed by Bass and Avolio (1990) and most of similar study has used this questionnaire for the quantitative measurement of the various leadership styles. Bass, Avolio, and Jung (1999) claims That multifactor leadership questionnaire is used by more than more three hundred (300) doctoral dissertation and master thesis for the quantitative measurement of transformational and transactional leadership and collection of data and master. They also argue that multifactor leadership questionnaire is widely used questionnaire for leadership measurement in academic circles, government organization, manufacturing firms and health and military.

The author of Current study has also adopted the multifactor questionnaire for data collection and quantitative measurement of transactional and transformational leadership style from the respective respondents in AISA.

Prior to commence the process of collection of data from employee working in different zonal offices, it was discussed with the central office and all regional office and official permission was obtained for collection of data about mangers leadership style in AISA.

The data was collected from the 180 employee through stratified random sampling techniques of probability sampling. The AISA is working in six regions throughout Afghanistan. Each regional office is considered as strata and 30 employees from each stratum were selected randomly. Thus the sample size of study was 180 employees. To each and every respective respondents of study a well-organized questionnaire with a cover letter was sent to their organizational or personal address. All the questionnaires were anonymous. For the purpose increasing the active response rate and collect most accurate and valid data follow steps were taken as suggested by (Waltz, Strickland, & Lenz, 1991 )

.A cover letter with each questionnaire was sent to every respondent which explains the purpose of research and guides the respondents for filling the questionnaire in an appropriate manner.

.A returnable and stamped envelope was also send to every respondent for resend the filled questionnaire to the address of the author

.Every respondents of study were follow-up and time to time for filling questionnaire and sending it in specified time

### **3.4 Population of the study:**

Population of study comprise all those elements, case and member in which a research has a special curiosity to know about them ( Bull, 2005) thus the population of current refer to the total number of employees working in Afghanistan Investment support agency throughout the country. The total number of employees working in six different region of AISA Afghanistan is 940 which make the total population of the study. Due to the possible concern that lower and support staff (includes office assistants, operators and technicians) will not understand the basic purpose of research stud and are also not potentially able to fill the questionnaire accurately, were excluded from the study. Thus after exclusion of supporting and lower, the total population of study is 720.

### 3.5 Sampling:

The purpose of this study is to examine effect of transactional and transformational leadership style of level of job satisfaction of employee working in Afghanistan Investment Agency. Because of having limited time, recourses and wide speared population of the study it was not possible for research to collect the data all respective member of population (720 employees). Due to these reasons, sampling for any research is indispensable. An appropriate sample is always a complete representative of population in all respects and should ensure generalization in all cases. The one- fourth of total population (25 %) was selected as a sample for the study. Thus total sample size for the study is 180 employees working in all six regions of Afghanistan investment agency.

There are mainly two main techniques for sampling used in researches that are probability sampling and Non-Probability sampling. Probability sampling is a type of sampling where every element of population has an equal chance to be selected in sample which in non-probability sampling each and every element does not have equal chances to be selected for sample from given population. From previous literature there a various technique that are used for probability for sampling. The most widely used techniques are sample random sampling, stratified random sampling, clustering sampling and multi stage sampling. Different research studies have used various techniques. Sign (2006) suggests that any sampling techniques can be used for sampling but an effective sampling technique should satisfy the following conditions:

It should be free from any types of subjective and Cognitive biasness of researcher.

The select sample should be complete representative of population.

For the purpose of sampling the author of study has selected the stratified random sampling. Because, it meets both the criteria of being bias free and representative of population. In stratified sampling each regional office of Afghanistan Investment support agency and 30 employees from each stratum are selected randomly, there are six regional offices of AISA in Afghanistan and it makes the

sample size of study 180 employees. Which is 25 percent of total population and is enough larger size. Some of researcher and statisticians such that a sample size should be larger as much as possible and because it diminishes the standard error and increase the probability of have a high response rate.

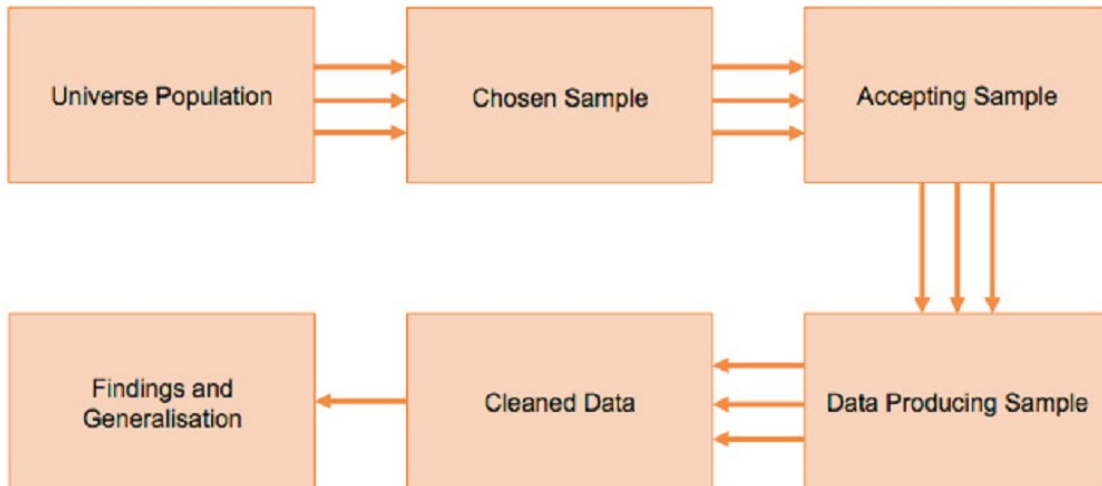


Figure 2: Sampling Cycle (Singh, 2006)

### 3.6 Research Instrument

The nature of the research study and research design is a survey method. For the purpose of investigating the impact of leadership styles (transformational and Transactional leadership) on level of job satisfaction of employees working in six regional offices of Afghanistan investment Support Agency data was collected through an adopted questionnaire. Bar et. Al., (1953) defines the term questionnaire as being “a systematic compilation of questions that are submitted to a sampling population from which information is desired”

Sing (2006) argues that questionnaire is an effective mostly used and economical method for data collection used in survey research method. Through questionnaire a primary data from a wide-spread population from a large population can be collected easily and economically. Sing (2006) also suggest that a questionnaire is a paper based structured interview it should in an understandable form , easy wording , impersonal and no ambiguity from all aspect.

In consistence with previous studies Thite (2000); Berson and Linton (2005) in area of leadership this study has also adopted Multifactor leadership Questionnaire developed by Bass and Olivo (1999). This questionnaire is most widely used for measurement of effective leadership and different leadership style. From existing literature, it can be traced that several type of questionnaire has been used for measuring the job satisfaction of specific respondents. Karsten (2008) views that there are two main types of questionnaire for measuring job satisfaction:

- Facet- Specific Questionnaire
- Facet – Free Questionnaire

Hinkin, (1995) describes facet free questionnaire as that type of job satisfaction questionnaire which are supposed just to answer the specific question of “how satisfied I am with my job? “while facet specific questionnaire particularly answer the questions that “which specific facet provide me job satisfaction”. For the research study author will utilize Facet-Free category of job satisfaction questionnaire. Karsten (2008) states there are numerous tools available in literature that can be used for facet – free job satisfaction of respondents. The most prominent sources of facet free job satisfaction questionnaire Job Satisfaction Survey (JSS), Michigan Organizational assessment questionnaire (MOAQ), Job Descriptive index (JDI), Job Diagnostic Survey (JDS), Minnesto satisfaction questionnaire (MSQ) and General Job Satisfaction Questionnaire. The author for the current study opts for Minnesto satisfaction questionnaire (MSQ) for measurement of job satisfaction of employees working in the Afghanistan Investment Support Agency. Minnesto satisfaction questionnaire (MSQ) is a short form, multidimensional and easily understandable and most used for measurement of overall job satisfaction in area of academic research. For keeping the overall questionnaire concise for the purpose of achieving a high response rate the number of questions in questionnaire were reduced.

### **3.7 Data Collection:**

For the purpose of the data collection total 180 questionnaires with a comprehensive cover letter were sent to the respective respondents on their personal or official address. Before commencing the process of data collection from the employees, the issue was discussed with the regional directors of all six zones. After receiving the permission 30 questionnaires were sent to every regional office and were randomly distributed among employees. 15 days were given for filling questions and returning back. After fifteen days all questions were collected.

### **3.8 Data analysis:**

The data collected through the questionnaire was analyzed descriptively and with help of statistical tools and techniques. Correlation and regression is main tool used in the study. The Cronbach Alpha has been used for checking the validity of questionnaire used.

#### **3.8.1 Correlation Analysis:**

The purpose of the study is to investigate relationship between the different leadership style and job satisfaction of employees working in Afghanistan Investment support Agency. For this purpose, the author of the study has used co relational analysis as a statistical tool. There are mainly two types of correlation—Pearson and Spearman Correlation. Harris( 1998) argue that in those research studies where the numerical data is collected on the ordinal scale of measurement, the Spearman correlation should be used for examining the relationship between the dependent and independent variables of study. Gall, Gall, and Borg (2007) whenever data is collected on the interval or ratio scale and variables, then Pearson correlation should use for the measurement of association between variables.

For the purpose of examining relationship between job satisfaction and leadership style (Transformational and Transactional)the author has opt for Pearson correlation and SPSS as research software. For testing significance of relationship between the variables two-tail test has used. The

numerical value of Pearson correlation can be range from +1 to -1. The -1 shows perfect negative or inverse relationship between two variables while the +1 shows a strong positive or direct correlation. If the value of correlation is Zero or close to Zero, means that there is no or too weak relationship between variables. Gregory (2000); Terre, Blanche and Durrheim (2002); Levy (2006) and Pallant (2007) has given the following interpretation of numerical value of Pearson Correlation .

- i. If the value of Coefficient of Pearson Correlation (Rho) = .30 to .49 or -.30 to -.49 then there is a weak relationship between variables and have little effect on each other.
- ii. If the value of Coefficient of Pearson Correlation (Rho) = .10 to .29 or -.10 to -.29 then there is a moderate relationship between variables and have Moderate effect on each other.
- iii. If the value of Coefficient of Pearson Correlation (Rho) = 0.50 to 1.0 or -0.50 to 1.0 then there is Strong relationship between variables and have Strong effect on each other.

### 3.8.2 Regression Analysis

Regression as statistical tool was used to determine the effect of leadership (Transformational and Transactional style) on level of job satisfaction of employee in Afghanistan investment Support for the Purpose of regression analysis following modal was developed

$$Y = \alpha + \beta_1(X_1) + \beta_2(X_2) + \epsilon$$

The above given modal is a multiple regression modal and

#### Where

- Y : Dependent variable of the Study
- $\alpha$  : Constant or intercept term of modal
- $\beta_1 \wedge \beta_2 =$  Coefficients of regressions
- $X_1$  and  $X_2 =$  Independent variables of the study



$\varepsilon$  Standard Error

The specific form of regression modal will be as:

**Modal specification:**

Following linear regression modal was developed for the purpose of data analysis.

$$JS = \beta_0 + \beta_1(\text{transformational Leadership}) + \beta_2(\text{transactional Leadership}) +$$

Where

JS: Job satisfaction of employee is a dependent variable

$\beta_0$  : Intercept of modal

$\beta_2 + \beta_1$ : coefficient of regression for independent variable

## **Chapter 4**

### **RESULTS AND DATA ANALYSIS**

An extensive research work has been done in area of leadership and job satisfaction in developed and developing countries. But there too much less research work has been done in developing countries like Afghanistan. The culture of research is just nurturing in academic circles of Afghanistan. As per author best knowledge it is the first study of its nature in Afghanistan and in Afghanistan area of leadership and management. The study aims to determine the impact of the transformational and transactional leadership on the job satisfaction of employees.

For purpose of data analysis primary data was collected from 180 employees working in six regional offices of Afghanistan investment support agency. Study is based probability sampling and stratified random sampling technique was used for sample selection. Data was collected through an adopted questionnaire. For purpose of data analysis different statistical tools and techniques were used. SPSS -20 was also used for data analysis

#### **4.1 Response Rate:**

The sample for current study was consisting of employees working in six regional office of Afghanistan Investment Support Agency. Sample for the study was selected randomly irrespective of age, gender, qualification, geographical area, religion and experience. 25 percent of total population

was selected as sample for the study and 180 were distributed among the respondent of the study. Out of 180 questionnaires 160 were returned back within specified time. Thus initially the response rate for the study was 89 percent. After collection of questionnaire, all the questionnaire was checked for their proper filling and missing value. After screening all those questionnaires were dropped which were either not properly filled or had some missing values. After exclusion all such questionnaire, the number of valid questionnaires were 150. Thus the active response rate for the study was dropped to 83 percent.

## **4.2 Demographics of Respondents**

### **4.2.1 Gender Distribution of study:**

It was mentioned in the earlier chapter that an adopted questionnaire was used to collect the primary data for the purpose of data analysis. The first part of questionnaire aims to collect the demographic and general information about the sample of selected of employees working in the six regional offices of Afghanistan Investment Support Agency. The sample selection and questionnaire distribution of questionnaire was irrespective of gender and were randomly selected. After determine the sample size of 180 employees in stratified random sampling, 150 and 30 questionnaires were distributed among male and female worker respectively. Thus in sample there was percentage of male and female in sample. It is mandatory to highlight that this proportion of gender distribution does not cross ponds to the actual distribution of male and female. The actual percentage of female workforce in all six regional offices of Afghanistan Investment Support Agency is about 18 percent.

The given table 4.1 and illustration summarize the gender distribution of the study. Amongst 180 distributed questionnaires, 127 male employees and 23 female employees properly filled the given questionnaires and were returned to author. Thus the actual percentage or proportion of male

respondents 84.7 is having active response rate of 85 percent. While the female gender percentage or proportion is 15.33 having an active response rate of 77 percent.

Afghan society is a male dominated and dependent society, due specific, rigid culture and misinterpretation of religious commandments of women are not free permitted a avail existing employment opportunities.

**Table 4.1**

**Gender Distribution**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	127	84.7	84.7	84.7
	Female	23	15.3	15.3	100.0
	Total	150	100.0	100.0	

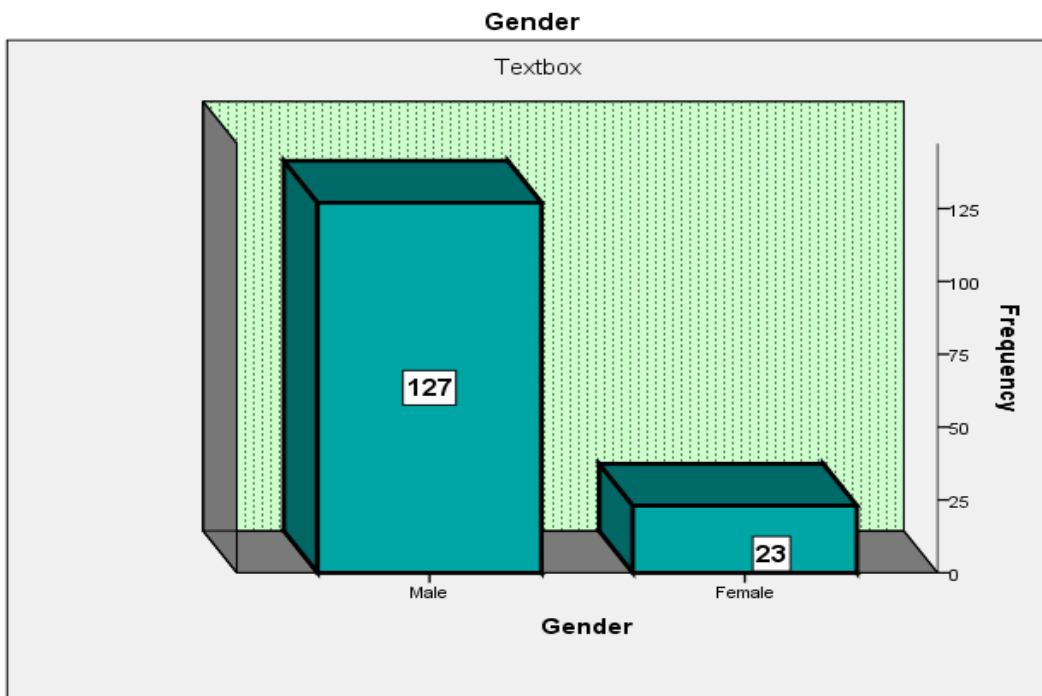


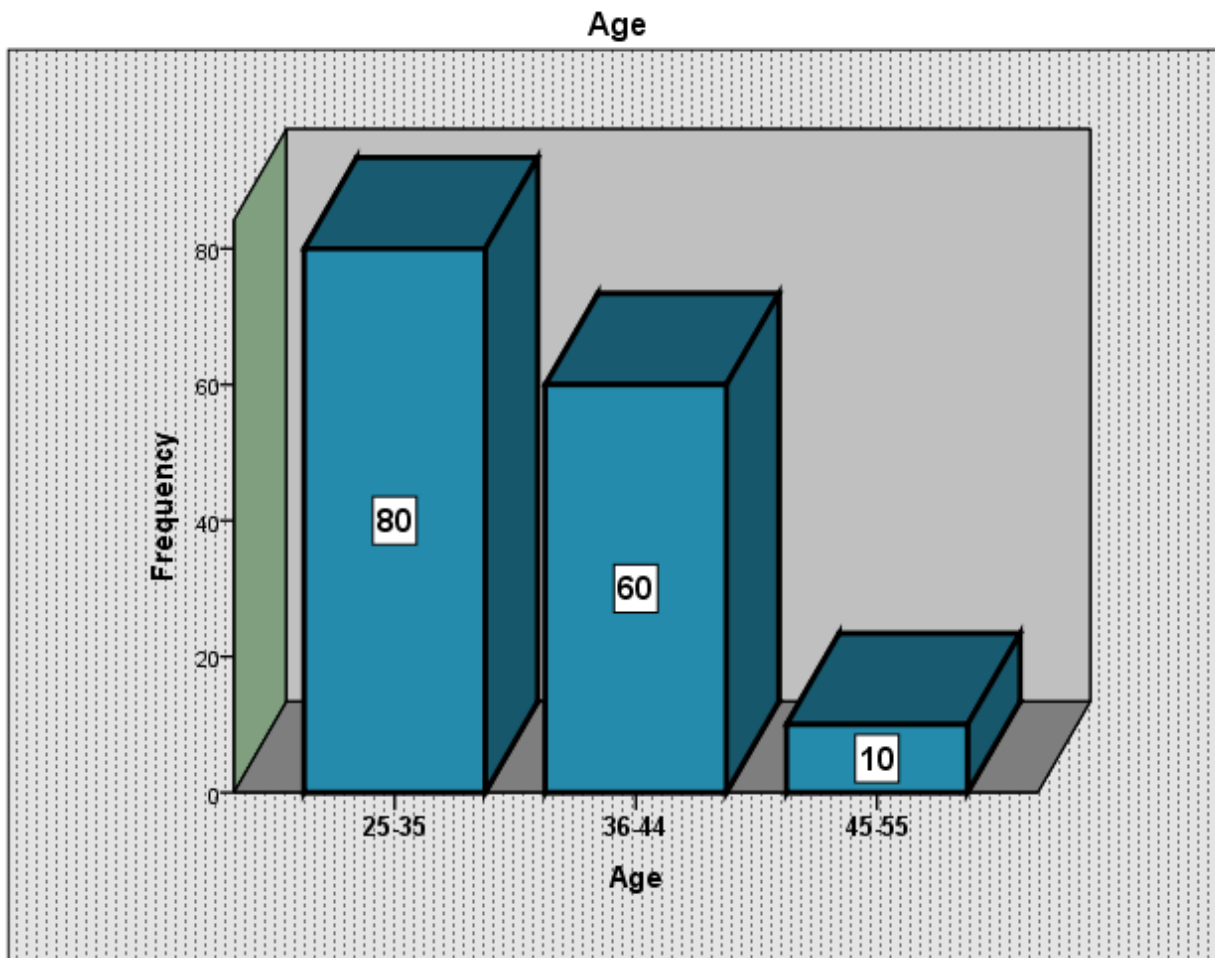
Figure 4.1. Gender distribution of respondent

#### 4.2.2. Age Distribution of Respondents:

As per HR policy, Age of employee is an on of factor that is to be considered in recruitment and selection policy. The minimum age requirement of ASIA Afghanistan is 22 Years and maximum is 65 Years. The below given table and illustration show the age distribution of employees selected in the sample of the study. It summarizes that percent of sample size has age group between 25 and 35 years. While 40 employees (representing percent of sample) has age between 35 and 45, only 10 respondents (representing percent of sample) have more than 46 years' age. Thus analysis of gender distribution most of employees not only in sample of study but also in the actual population of study belong to age group of 25-25 years. it implies that most of the employees working in AISA Afghanistan are Young, newly appointed and less experienced. The top management of ASIA has a better opportunity to develop them for future challenges and leadership the through an effective leadership, development of organizational commitment and keeping their employee satisfied.

**Table 4.2. Age Distribution**

		<b>Age</b>			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-35	80	53.3	53.3	53.3
	36-44	60	40.0	40.0	93.3
	45-55	10	6.7	6.7	100.0
Total		150	100.0	100.0	



**Figure 4.2. Age Distribution of Respondents**

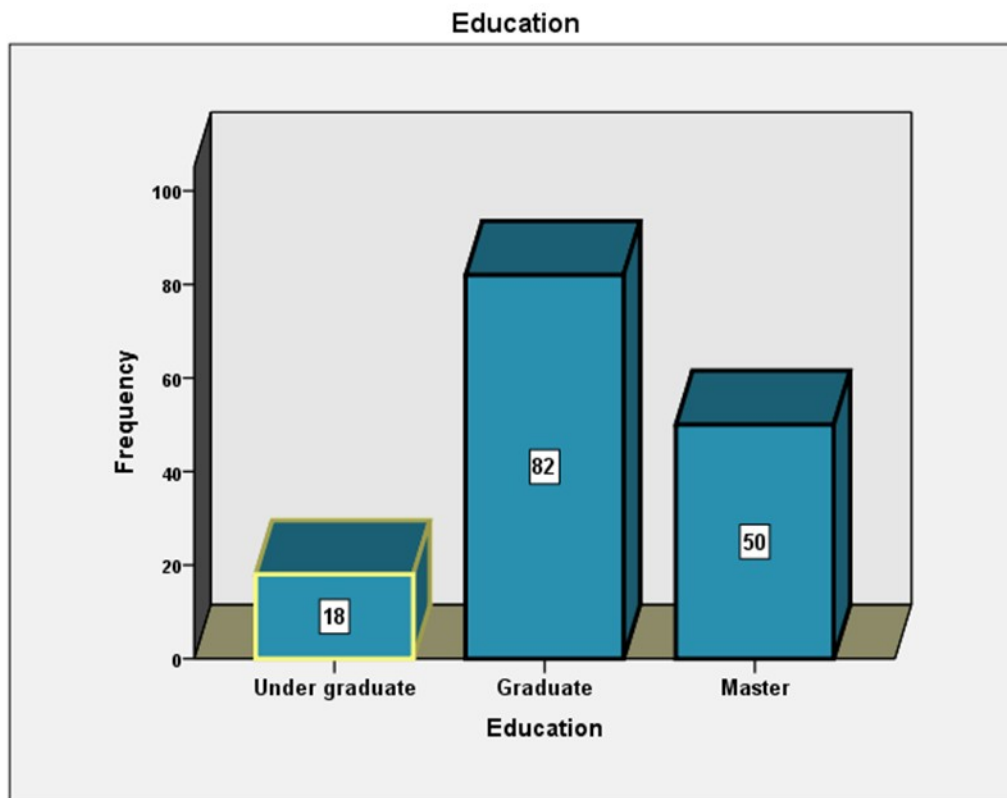
#### **4.2.3 Education distribution of Respondents:**

The below given table and illustration summarize the educational qualification of respondents of sample of study selected from the employees working in six regional office of AISA Afghanistan. Being an under developed country, and having the low literacy rate of below 30 percent, the minimum criteria of educational qualification for employment in AISA Afghanistan is intermediate or under-graduation. The table of frequency shows that among 150 respondents 83 respondents – represents 44.7 percent- have graduation level educational level qualification. While only 50 respondents of study have master level qualification which is 33.33 percent of total sample of study. It was also observed

that most of employees having master qualification are working on managerial position in AISA Afghanistan. Only 18 respondents of study representing only 12 percent of sample are under graduate. It implies that the AISA Afghanistan should plan and develop program that that can enhance the educational level of their employees. This will not only increase the job satisfaction of employee but also help in developing their leadership capabilities.

**Table 4.3. Education level of Respondents**

		<b>Education</b>			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under graduate	18	12.0	12.0	12.0
	Graduate	82	54.7	54.7	66.7
	Master	50	33.3	33.3	100.0
	Total	150	100.0	100.0	



**Figure.4.3 Education Level of Respondents**

#### 4.2.4 Distribution of Work Experience

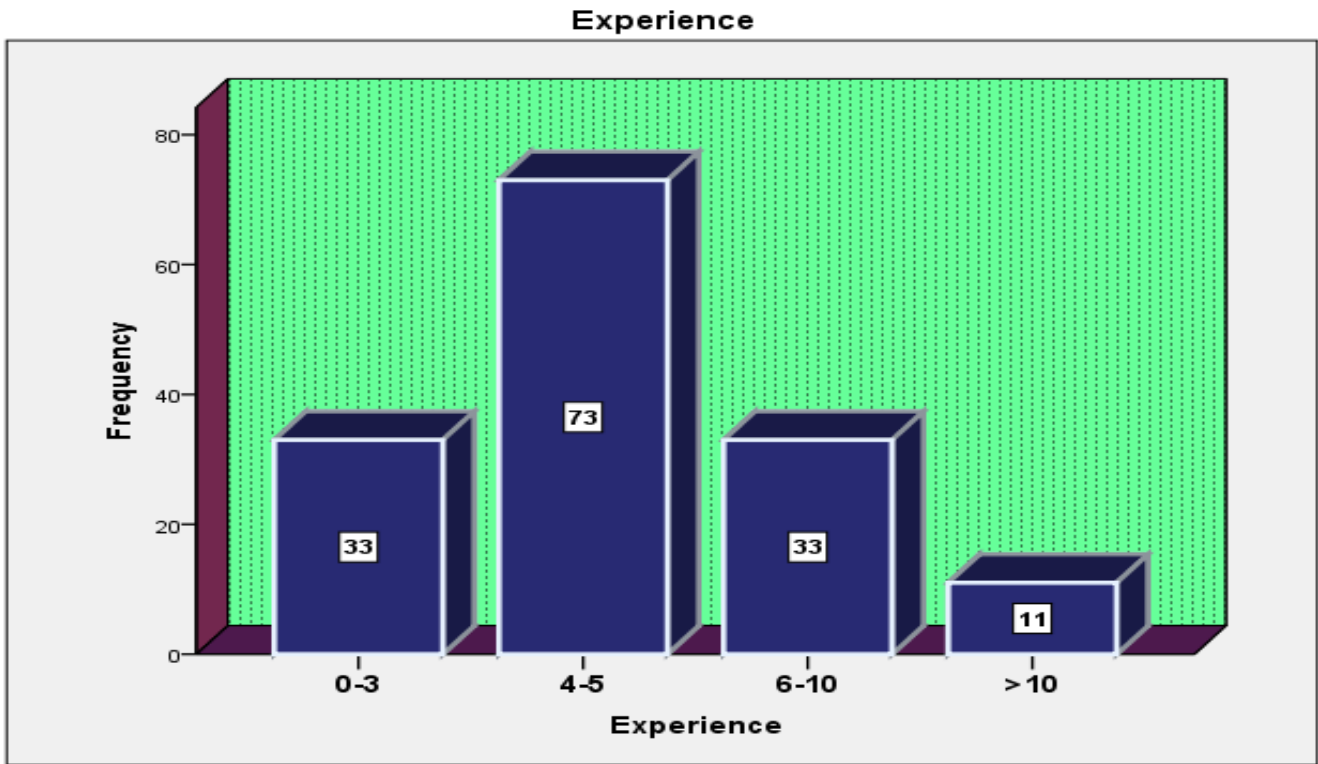
The Below given table and illustration demonstrates relevant working experience of respondents of sample selected from 940 employees working in Afghanistan Investment Agency. Only 7.3 percent of sample (only 11 employees) has more than 10-year relevant experience. While remaining part of sample have less than 10-year experience. Out of 150 respondents of study, 33 employees have newly recruited employees and have less than three years' professional experience. While 70 employees, which is almost half of the sample have 4 to 5 years of relevant professional experience, 22 percent respondents of the sample (33 employees) have experience of 6 to 10 Years. Thus, it implies that 71 percent respondents of sample have less than 5 years' professional experience. The AISA Afghanistan should plan and develop a proper program to train these inexperienced staff.

**Table 4.4 Experience level of respondents**

#### Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-3	33	22.0	22.0	22.0
	4-5	73	48.7	48.7	70.7
	6-10	33	22.0	22.0	92.7
	>10	11	7.3	7.3	100.0
	Total	150	100.0	100.0	





**Figure 4.4 Experience levels of respondents**

#### 4.2.5 Salary Distribution

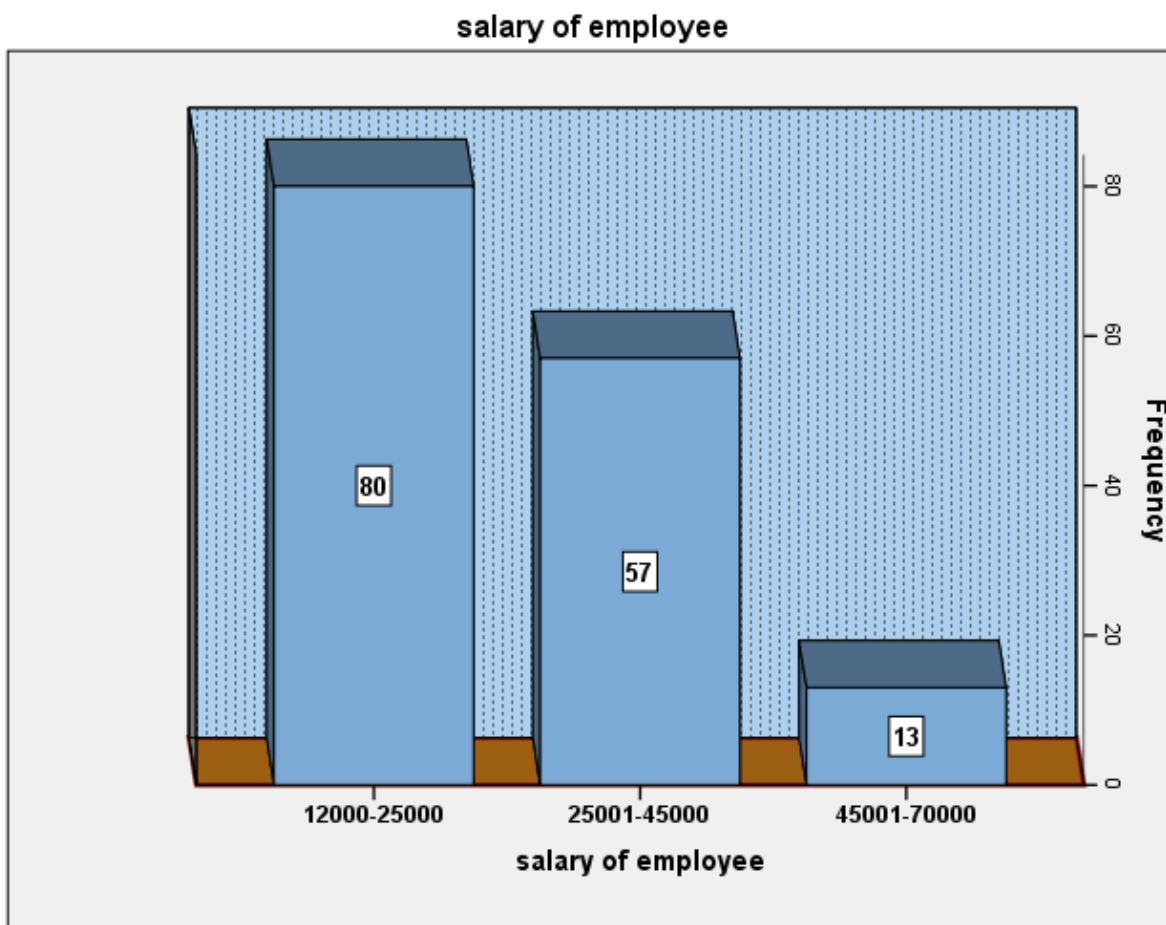
Afghanistan Investment Support Agency is semi-government agency which provides an effective salary packages to their working staff for the purpose attracting highly skill employees and maintaining high level of job satisfaction among their employees. The below given table and graphs summarize the monthly salaries of respondents of study. Table shows that 53.3 percent of respondents of study have monthly salary from 12000 to 25000 Afs. 74 employees in sample of study receive monthly salary between 25001 and 45000 which represents 44.4 percent of sample. Only 7.70 percent of sample receives salary more than 45000. Thus it implies that more than half of respondents in sample size receive less than 25000.while only 8.7 percent of sample (13 respondents of study) have monthly salary more than 45000 Afs .57 respondents of study representing 38 percent of sample of

study have salary in range of 25000 to 45000. It implies that approximately 91percent respondents of sample receive less than 45000 monthly salaries in Afghani currency.

**Table 4.5 Monthly Salary of Respondents**

**salary of employee**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	12000-25000	80	53.3	53.3	53.3
	25001-45000	57	38.0	38.0	91.3
	45001-70000	13	8.7	8.7	100.0
	Total	150	100.0	100.0	



**Figure 4.5 Monthly Salaries of Respondents**

#### 4.2.6 Marital Status of Respondents:

The marital status is an important demographic variable and has significant effect on leadership style and job satisfaction of employees. The given table and illustration explains the marital status of respondents of study. Among 150 respondents of stratified random sample of 83 respondents representing 55.3 percent of sample is married while 44.7 percent of sample of study are still unmarried. High percentage of married respondents can be justified as that in particular context of Afghan culture of early marriage is quite dominated.

**Table 4.6 Marital status of respondents**

#### **Marital\_status**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid single	67	44.7	44.7	44.7
Married	83	55.3	55.3	100.0
Total	150	100.0	100.0	

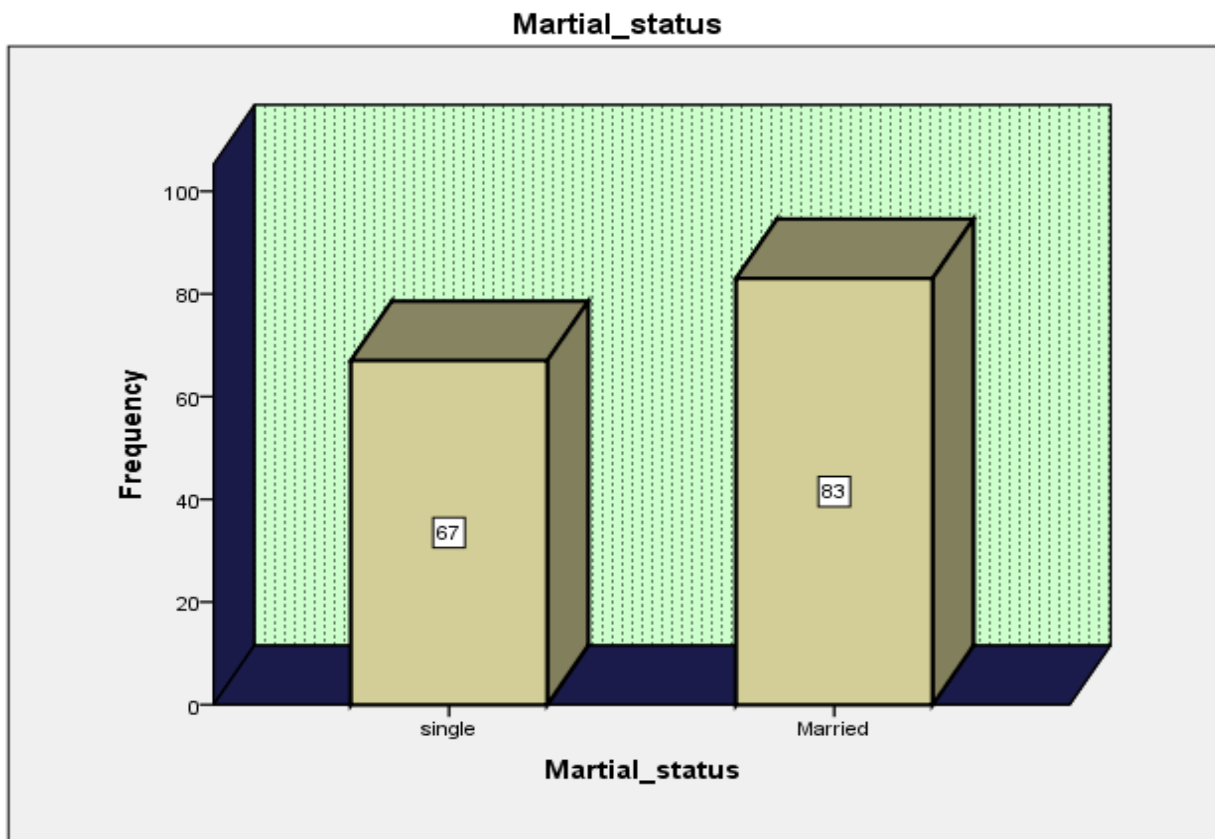


Figure 4.6 Marital status of respondents

### 4.3 Descriptive Statistics Analysis

In descriptive analysis all the key characteristics of all research variables are quantitatively described. In the descriptive analysis the quantitative summary of maximum, minimum, mean and standard deviation of all research variables are given. The given table of descriptive statistics presents a satisfactory result in terms all variables. Among all three research variables, job satisfaction has the highest mean and its numerical value is 3.005 with having the smallest standard deviation of 0.424. It implies that most of employees working in six regional office of Afghanistan Investment Support Agency from the leadership style of their respective management. While comparing mean of transactional and transformational leadership style, Transformation leadership has a higher mean (2.98 with standard deviation of 0.57) than mean transactional leadership. The mean value of transactional

leadership is 2.89 with having standard deviation 0.62. Thus it implies that transformational leadership can result in a higher job satisfaction as compared to transaction style among employees of Afghanistan investment Support Agency. It has the implication for the management that they should promote the transformational leadership style among the managerial personal for purpose of increasing the level of job satisfaction of employees in AISA Afghanistan.

**Table 4.7 Descriptive Statistics**

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
job_satisfaction	150	1.44	3.78	3.0050	.42432
Transactional_Leadership	150	1.22	4.56	2.8957	.62871
Transformational_Leadership	150	1.23	4.50	2.9825	.57784
Valid N (listwise)	150				

#### 4.4 Reliability of Questionnaire

Cronbach alpha is “a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability”.

The below given table summarizes the values of Cronbach Alpha for measurement internal consistency of questionnaire used data collection. Liem and Gliem (2003) (from George and Mallery, (2003) provided the following rule of thumb for evaluating the findings of Cronbach alpha test:

• “If Cronbach’s Alpha is $>.9$ ”	<b>Excellent”</b>
• “If Cronbach’s Alpha Is $>.8$ ”	<b>Good”</b>
• “If Cronbach’s Alpha Is $>.7$ ”	<b>Acceptable”</b>
• “If Cronbach’s Alpha Is $>.6$ ”	<b>Questionable”</b>
• “If Cronbach’s Alpha Is $>.5$ ”	<b>Poor”</b>
• “If Cronbach’s Alpha Is $<.5$ ”	<b>Unacceptable”</b>

- i) The given table shows that numerical value Cronbach `s Alpha for transformational leadership style is 0.92. As per above given criteria it's an excellent measure of internal consistency. The transformational leadership questionnaire is consisting of 22 items and has a highest Cronbach Alpha value among all three variables of research.
- ii) The given table also remarks that numerical value of Cronbach `s Alpha for transactional leadership style is 0.84. As per above given criteria it's a Good measure of internal consistency. The transformational leadership scale is consisting of 10 items and has a lower Cronbach `s Alpha than transformational leadership but still scale is a good measure of transactional leadership.
- iii) The value of Cronbach alpha for the level of job satisfaction is 0.76 and is consist of 18 items. It is also an acceptable scale for measuring the job satisfaction.

Dimensions	Items	Cronbach Alpha	Criteria
Reliability for Transformational Leadership	22	0.92	Excellent
Reliability for Transactional leadership	10	0.84	Good
Reliability for Job Satisfaction	18	0.76	Good

#### 4.5 Correlation Analysis:

The purpose of the study is to investigate relationship between the different leadership style and job satisfaction of employees working in Afghanistan Investment support Agency Afghanistan. For this purpose, the author of the study has used co-relational analysis as a statistical tool. There are mainly two types of correlation – Pearson and Spearman Correlation. Harris (1998) argue that in those

research studies where the numerical data is collected on the ordinal scale of measurement, the Spearman correlation should be used for examining the relationship between the dependent and independent variables of study. Gall, Gall, and Borg (2007) whenever data is collected on the interval or ratio scale and variables, then Pearson correlation should use for the measurement of association between variables.

For the purpose of examining relationship between job satisfaction and leadership style (Transformational and Transactional) the author has opted for Pearson correlation and SPSS as research software. For testing significance of relationship between the variables two-tail test has used. The numerical value of Pearson correlation can be range from +1 to -1. The -1 shows perfect negative or inverse relationship between two variables while the +1 shows a strong positive or direct correlation. If the value of correlation is Zero, or close to Zero, means that there is no or too weak relationship between variables.

Gregory (2000) ;Terre, Blanche and Durrheim (2002) Levy(2006;) and Pallant ( 2007) has given the following interpretation of numerical value of Pearson Correlation:

- iv. If the value of Coefficient of Pearson Correlation (Rho) =.30 to .49 or -.30 to -.49 then there is a weak relationship between variables and have little effect on each other.
- v. If the value of Coefficient of Pearson Correlation (Rho) = .10 to .29 or -.10 to -.29 then there is a moderate relationship between variables and have Moderate effect on each other.
- vi. If the value of Coefficient of Pearson Correlation (Rho) =. 50 to 1.0 or -.50 to -1.0 then there is strong relationship between variables and have strong effect on each other.

**Table 4.8 Correlation Matrix****Correlations**

		Transformational_Leadership	Transactional_Leadership	job_satisfaction
Transformational_Leadership	Pearson Correlation	1	.763**	.756**
	Sig. (2-tailed)		.000	.000
	N	150	150	150
Transactional_Leadership	Pearson Correlation	.763**	1	.771**
	Sig. (2-tailed)	.000		.000
	N	150	150	150
job_satisfaction	Pearson Correlation	.756**	.771**	1
	Sig. (2-tailed)	.000	.000	
	N	150	150	150

\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### 4.5.1 Pearson Correlation between Transformational leadership Style and Job Satisfaction:

The below given modal illustrate the Pearson correlation between the level of job satisfaction and transformational leadership style of managers working in six regional offices of Afghanistan Investment Agency. The given table demonstrates that there is a direct and positive relationship between job satisfaction and transformational style. The value of co-relational coefficient is 0.75 and the relationship is highly significant. Both the magnitude and direction of association indicate that there is a positive and moderate relationship between two given variables. Thus it validates and approve first Alternative hypothesis of Study. It also implies that transformational leadership has a significant relationship with job satisfaction of employees in Afghanistan investment Support Agency.



**Table 4.9 Correlation Table****Correlations**

		Transformational_Leadership	job_satisfaction
Transformational_Leadership	Pearson Correlation	1	.756**
	Sig. (2-tailed)		.000
	N	150	150
job_satisfaction	Pearson Correlation	.756**	1
	Sig. (2-tailed)	.000	
	N	150	150

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**4.5.2 Correlation between Job satisfaction and Transactional Leadership:**

The below given modal illustrate the Pearson correlation between the level of job satisfaction employees and transactional leadership style of managers working in six regional offices of Afghanistan Investment Agency. The given table demonstrates that there is a direct and positive relationship between job satisfaction and transformational style. The value of co- relational coefficient is 0.77 and the relationship is high significant. Both the magnitude and direction of relationship reveals that there is a positive and strong relationship between job satisfaction and Transactional leadership. Thus in this case the findings of study validate and approve second Alternative hypothesis of Study. It also implies that transformational leadership has a significant relationship with job satisfaction of employees in Afghanistan investment Support Agency. It is worth to mention that transactional leadership has a higher and strong correlation with job satisfaction as compared to transformational leadership.

Table 4.10 Correlation Table

## Correlations

		job_satisfac tion	Transactional _Leadership
job_satisfaction	Pearson Correlation	1	.771**
	Sig. (2-tailed)		.000
	N	150	150
Transactional_Leadershi p	Pearson Correlation	.771**	1
	Sig. (2-tailed)	.000	
	N	150	150

\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### 4.6 Regression Analysis

Regression analyses were used to determine the effect of leadership (Transformational and Transactional style) on level of job satisfaction of employee in Afghanistan investment Support Agency. For the purpose of regression analysis following modal was developed

$$Y = \alpha + \beta_1(X_1) + \beta_2(X_2) + \varepsilon$$

#### Where

Y : Dependent variable of the Study

$\alpha$  : Constant or intercept term of modal

$\beta_1 \wedge \beta_2 =$  Coefficients of regressions

$X_1$  and  $X_2 =$  Independent variables of the study

$\varepsilon$  Standard Error

The specific form of regression modal will be as:

$$Y(JS) = \alpha + \beta_1(\text{Transformational Leadership}) + \beta_2(\text{transactional Leadership}) + \varepsilon$$

#### 4.6.1 Effect of Transformational Leadership and Level of Job Satisfaction

The above mentioned table is summary of regression modal and shows the dependence of job satisfaction on the transformational leadership styles of managers working in Afghanistan investment Support Agency. The R – Square in the modal is known as regression coefficient and it explains the total variation in dependent variable due to independent variables. In given table the value of the R-Square is 57.2. It implies that transformational leadership has a positive effect on level of job satisfaction of employees. The value of R –Square interpret that 57.2 percent of job satisfaction among employees in Afghanistan Investment Support Agency is caused due Transformational leadership. It can also interpret as that 57 percent of total variation in job satisfaction can be explained by independent variable of study. The value of Adjusted R<sup>2</sup> is a little smaller than the actual R<sup>2</sup>. The standard error of estimation is 0.278.

**Table 4.11 Regression modal Summary**

#### **Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.756 <sup>a</sup>	.572	.569	.27869

a. Predictors: (Constant), Transformational\_Leadership

The below given modal is called ANOVA modal and mentions about overall good fitness of modal. The numerical value of F-Statistics in the given modal is larger than 4 and probability value is also smaller than 0.05. Therefore, it can be concluded that the above regression modal is good fitted and overall highly significant.

Table 4.12 ANOVA

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.333	1	15.333	197.414	.000 <sup>b</sup>
	Residual	11.495	148	.078		
	Total	26.828	149			

a. Dependent Variable: job\_satisfaction

b. Predictors: (Constant), Transformational\_Leadership

Table 4.13 Table of Regression Coefficient

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.349	.120		11.242	.000
	Transformational_Leadership	.555	.040	.756	14.050	.000

a. Dependent Variable: job\_satisfaction

The below given table presents the summary of regression coefficients and is a part of regression modal. The first value in given table is called the intercept term of modal or constant term and its value is 1.35 and is statistically significant. The most important value in the table is the Beta value which also called slope of regression coefficient for dependent variable. The numerical value of beta is 0.75. The value of T-statistics is 14 (larger than 2) and P- value is too smaller than 0.05. Thus it can be arguing the relationship is highly significant between dependent and independent variables. The magnitude and positive sign shows that there is a strong positive relationship between the job satisfaction and transformational. Thus it also implies that transformational leadership is an important predictor of job satisfaction. The findings of study are consistent with most of previous empirical study and have implications that the top management in Afghanistan investment Support Agency can

increase level of job satisfaction and employee retention ratio by promoting and adopting the culture of transformational leadership among their managerial personal.

On the basis of above regression analysis following hypothesis of the study were tested: **Hypothesis 1:**

**H<sub>0</sub>:** There is no significant relationship between Leadership (Transformational Style) and Level of job satisfaction among employees working in Afghanistan investment Support Agency.

**H<sub>1</sub>:** There is a significant relationship between Leadership Style (Transformational) and level of job satisfaction among employees working in Afghanistan investment Support Agency.

On basis of above empirical finding of study, the author of study accepts the alternative hypothesis of study and rejects null hypothesis and conclude that there is a positive and strong relationship between job satisfaction employee and transformational leadership style of mangers working in the Afghanistan investment Support Agency.

#### **4.6.2 Relationship between Transactional Leadership a and level of job satisfaction**

The above mentioned tables are summary of regression modal and show the dependence of job satisfaction on the transactional leadership styles of managers working in Afghanistan investment Support Agency. The R – Square in the modal is known as regression coefficient and it explains the total variation in dependent variable due to independent variables. In given table the value of the R-Square is 59.2. It implies that transactional leadership has a positive effect on level of job satisfaction of employees. The value of R –Square interpret that 59.4 percent of job satisfaction among employees in Afghanistan Investment Support Agency is caused due Transformational leadership. It can also interpret as that 59 percent of total variation in job satisfaction can be explained by independent variable of study. The value of Adjusted R<sup>2</sup> is little smaller than the actual R<sup>2</sup>. The standard error of estimation is 0.271. It is worth to mention here that the Value of R<sup>2</sup> in case of transactional leadership is higher than transformational leadership.

**Table 4.13 Regression modal Summary****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.771 <sup>a</sup>	.594	.591	.27132

a. Predictors: (Constant), Transactional\_Leadership

The below given modal is called ANOVA modal and mentions about overall good fitness of modal. The numerical value of F- Statistics in given modal is 216 which is quite larger than 4 and P- value is also small than 0.05. Therefore, it can be concluded that the above regression modal is good fitted and overall highly significant.

**Table 4.14 ANOVA Table****ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.933	1	15.933	216.444	.000 <sup>b</sup>
	Residual	10.895	148	.074		
	Total	26.828	149			

a. Dependent Variable: job\_satisfaction

b. Predictors: (Constant), Transactional\_Leadership

The below given table presents the summary of regression coefficients and is a part of regression modal. The first value in given table is called the intercept term of modal or constant term and its value is 1.499 and is statistically significant the most important value in the table is the Beta value – also called slope of regression coefficient for dependent variable. The numerical value of beta is 0.77. The value of T-statistics is 14 (larger than 2) and P- value is too smaller than 0.05. Thus it can be arguing the relationship is highly significant between dependent and independent variables. The magnitude and positive sign shows that there is a strong positive relationship between the job

satisfaction and transactional leadership. Thus it implies that Transactional leadership is an important predictor of job satisfaction. The findings of study are consistent with most of previous empirical study and have implications that the top management in Afghanistan investment Support Agency can increase level of job satisfaction and employee retention ratio by promoting and adopting the culture of transactional leadership among their managerial personal.

**Table 4.15 Regression coefficient**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.499	.105		14.310	.000
	Transactional_Leadership	.520	.035	.771	14.712	.000

a. Dependent Variable: job\_satisfaction

The second hypothesis of the study was as follow:

**Hypothesis 2:**

**H<sub>0</sub>:** There is no Significant Relationship between Transactional Leadership and level of job satisfaction.

**H<sub>1</sub>:** There is a Significant Relationship between transactional Leadership and level of job satisfaction.

On the above regression analysis, we reject null hypothesis and accept the alternative hypothesis regarding relationship transactional leadership and job satisfaction. The regression coefficient shows that there is a positive relationship between job satisfaction and transactional leadership and is significant at level of 0.01.

### 4.6.3 Multiple Regression Analysis

**Table 4.15 Regression modal Summary**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.798 <sup>a</sup>	.636	.632	.26764

a. Predictors: (Constant), Transactional\_Leadership, Transformational\_Leadership

The above given table is summary of regression modal and shows the dependence of job satisfaction on the on transformational and transactional leadership styles of managers working in Afghanistan investment Support Agency. The R – Square in the modal is known as regression coefficient and it explains the total variation in dependent variable due to independent variables. In given table the value of the R-Square is 0.636. It implies that transformational and transactional leadership both have a positive effect on of job satisfaction of employees. The value of R –Square interpret that 63.6 percent of job satisfaction among employees in Afghanistan Investment Support Agency is caused due transactional Transformational leadership. It can also interpret as that 63.6 percent of total variation in job satisfaction can be explained by transformational and transactional leadership which are independent variables of study.



**Table 4.17 ANOVA Table****ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.553	2	11.277	157.430	.000 <sup>b</sup>
	Residual	12.893	180	.072		
	Total	35.446	182			

a. Dependent Variable: job\_satisfaction

b. Predictors: (Constant), Transactional\_Leadership, Transformational\_Leadership

The below given modal is called ANOVA modal and mentions about overall good fitness of modal. The numerical value of F- Statistics in given modal is 157 which is quite larger than 4 and P-value is also small than 0.05. Therefore, it can be concluded that the above regression modal is good fitted and overall highly significant.

**Table 4.1 Regression Coefficient****Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.344	.094		14.323	.000		
	Transformational_Leadership	.311	.048	.456	6.417	.000	.400	2.498
	Transactional_Leadership	.252	.046	.391	5.499	.000	.400	2.498

a. Dependent Variable: job\_satisfaction

The table given below presents the summary of regression coefficients. The first value in given table is called the intercept term of modal or constant term and its value is 1.344 and is statistically significant. Beta value is slope of regression coefficient for dependent variable. The numerical value of beta for transformational leadership is 0.456. The value of T-statistics is 6.4 (larger than 2) and P-value is too smaller than 0.05. Thus it can be arguing the relationship is highly significant between dependent and independent variables. The magnitude and positive sign shows that there is a strong positive relationship between the job satisfaction and transformational.

For transactional leadership the numerical value of beta for transformational leadership is 0.39. The value of T-statistics is 5.4 (larger than 2) and P-value is too smaller than 0.05. Thus this analysis

supports the hypothesis of the study that both the transformational and transactional both have a positive and significant effect on the job satisfaction of employees working in ASIA Afghanistan.

From the above modal it can be observed that the beta value of the transformational and transactional leadership. Therefore, it can be concluded that the transformational leadership have strong effect on the job satisfaction of employees.

#### 4.7 Interpretation of Multi co-linearity Test

**Collinearity Diagnostics<sup>a</sup>**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	Transformational_Leadership	Transactional_Leadership
1	1	2.958	1.000	.00	.00	.00
	2	.030	9.874	.97	.07	.16
	3	.011	16.207	.02	.93	.84

a. Dependent Variable: job\_satisfaction

Multi co-linearity is one of the basic assumptions of the linear classical regression modal. The above given table is the output of Multi co-linearity test based in the regression coefficient. The value for VIF is 1.49 which is between 1 and 10. On basis of above analysis, it can be concluded that there is no Multi co-linearity problem.

\*\*\*\*\*

## Chapter 5

### CONCLUSION AND RECOMMENDATIONS

#### 5.1 Conclusion

Human resource are the most valuable and indispensable resources of organization for the purpose for effectiveness and efficiency in their operations. But it is worth to mention that just having of human resources cannot give a competitive edge to an organization over his competitors. The human resources of an organization should have a job satisfaction, a high level of motivation and organizational commitment. From previous literature, there are several factors which can affect the level of job satisfaction and other job attitude of employee. Leadership style of manager also has a significant effect on the level of job satisfaction of employees. This study also aims to investigate the impact of transformational and transactional leadership style of the job satisfaction of the employees working in six regional office of Afghanistan Investment Support Agency Afghanistan. For the purpose of answering research questions and fulfilling research objective a system quantitative research with Post –positivist approach was conducted. For data analysis data was collected through an adopted questionnaire form respective respondents of the study. For checking the reliability for questionnaire used in study a pilot study conducted and 30 questionnaires were distributed. Cronbach Alpha test was used to check the reliability and it was found that all three scales used in questionnaire were highly reliable.

The population for the study was 940 and a sample of 180 was selected through stratified random sampling technique. In every regional office of Afghanistan Investment Support Agency, 30

questionnaires were randomly distributed. After specified and several reminders from the author, out of 180 questionnaires only 150 valid and properly filled questionnaire were received. Thus the response rate for the study was 84 percent which is quite larger and acceptable rate. For the purpose of data analysis Statistical package for Social Sciences Research (SPSS -20) was used. For examining relationship between transformational and Transactional leadership style Classical Linear Regression and Pearson Correlation were used as main statistical techniques for the data analysis.

The descriptive analysis of the study shows that the job satisfaction has the highest mean value and implies the most of employees working in Afghanistan investment Support Agency from the leadership style of their managers. It is mention here that transformational leadership style has higher mean value than transactional leadership. Thus the finds of descriptive analysis show that transformational leadership style can cause a higher job satisfaction among employees as compared to transactional leadership style of manager.

For the investigating the relationship between job satisfaction and leadership styles of mangers Pearson Correlation was used as a statistical technique the finding of the study shows that both the transformational and Transactional leadership style have positive and significant relationship with job satisfaction. Then numerical value of correlation coefficient for transformational and transactional leadership is respectively. It is worth to mention that the transformational leadership has a more significant and strong relationship with job satisfaction as compared to transactional style of leadership. It implies that in case of our study transformational leadership can cause a higher level of job satisfaction among employees working in six regional offices in Afghanistan Investment Support Agency. In case of finds of co relational analysis, finds of our study are highly consistent with most of similar previous studies in area of leadership and Management.

To investigate the impact of transformational and transactional leadership style on job satisfaction, Regression analysis was used and Classical linear sample regression modal was developed.

The empirical findings of the study explore that both of leadership style has a positive and significant impact on the job satisfaction. In case of transformational leadership, the value of R- Square is 0.57. This means that the transformational leadership can explain 57 percent of total variation in job satisfaction of employees. The F- value and P-values both confirms that overall modal is good fitted. The statistical value for the regression coefficient is 0.75. The sign and magnitude of Beta implies that there is a positive and significant relationship between the transformational and job satisfaction. Thu it validates our first hypothesis of study and basis of findings of the first null hypothesis is rejected and Alternative Hypothesis is accepted. It implies that transformational leadership style of mangers has a positive impact on the job satisfaction of employees of six regional offices of Afghanistan Investment Support Agency in Afghanistan. Findings of current study are consisting to the most of previous parallel studies.

Findings of regression in case of transactional leadership style show that transactional leadership style also has a positive impact on job satisfaction. The regression coefficient for transactional leadership styles is 0.59 which can be interpreted as that 59 % of total job satisfaction is caused by transactional job leadership and has a positive and significant impact on the job satisfaction of employees. Thus on the basis of findings the null hypothesis of study is rejected and alternative hypothesis is accepted. Findings of current study are consistent with most of previous studies.

### **5.1 Recommendations:**

On the basis of above empirical findings of the study, following recommendations are given

- The findings of the study show that both the leadership styles (transactional leadership style and transformational leadership style) have positive and a significant impact on level of job satisfaction of employees in Afghanistan investment Support agency. Therefore, it is

recommended that managers working at all level should adopt transformational and transactional leadership style.

- The empirical analysis shows the transformational leadership styles have more positive and significant impact on job satisfaction as compared to the transactional leadership style. Therefore, it is recommended for Afghanistan investment support agency to give more priority to transformational leadership style among their managerial personnel.
- Afghanistan Investment Support agency should give preference to transformational leaders while recruiting for managerial position in organization.
- Employees having transformational leadership should be promoted to managerial position within organization.
- Afghanistan investment support agency should develop an effective training and development program for promoting and developing transformational leadership among their employees.

## **5.2 Limitations of study and Recommendations for further Research**

Being an under developed country, Afghanistan still lacks the research culture. As per author's best knowledge, the current study is a first proper research in area of leadership and Afghanistan Investment Support Agency. While conducting the research author has faced several hurdles such as-

- Lack of previous empirical research work in area of leadership and job satisfaction in specific context of Afghanistan.
- Disinclination and hesitance of employees in filling research questionnaire and giving data
- The population of the study was a widespread and was difficult author of study collect data with in short time from a large sample of study. It is recommending to conduct another study based on a sample covering a large geographical area of Afghanistan.

- Due to the particular male dominated culture in Afghanistan, there are less number of female workers in organizations as compared to male worker due to which there were less number of male respondents in sample of study which can reduce the generalization of study in case of female gender and job satisfaction. It is also recommended to conduct another research by increasing the number of female respondents in sample of study.
- The study has focused only on two prominent leadership style while there can other leadership styles that can have a significant effect on job satisfaction. The study can be revised by implying other major leadership style.
- The study has examined the impact of transformational and transactional leadership style on overall job satisfaction and ignores the concept of extrinsic and intrinsic job satisfaction. It is recommended to revise similar study with implying concept of Intrinsic and Extrinsic Job satisfaction.

Despite of having several limitations and shortcoming the current study still have policy implications for both academic circles and practitioners and fill a research gap.

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