



THE RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP AND JOB SATISFACTION: A LITERATURE REVIEW

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Abstract

Leadership is one of the most important factors determining whether or not an organization successfully meets its goals and objectives. There are numerous styles of leadership, including transactional leadership, transformational leadership, and servant leadership, among others. The transactional style is based on a transactional relationship between the leader and the follower, where rewards and punishments motivate followers. Transformational leadership involves inspiring and empowering followers to achieve their full potential. Servant leadership prioritizes meeting the needs of followers, which can lead to better performance and employee satisfaction.

The purpose of this study was to investigate the relationship between transformational leadership and human resource development as it relates to job satisfaction, as well as how levels of job satisfaction ultimately influence levels of job engagement among employees. The literature study method this research utilizes involves selecting relevant topics and keywords related to the research question and then using these to search for relevant journals and literature to inform the study.

The findings from the three studies show that transformational leadership has a positive and significant impact on job satisfaction and engagement and that human resource development plays a crucial role in improving employee satisfaction and engagement. Characteristics such as individualized consideration, inspirational motivation, and intellectual stimulation have been as having a positive impact on job satisfaction. Leaders who develop transformational leadership skills and provide opportunities for human resource development can improve employee satisfaction and engagement.

Keywords: Transformational Leadership, Job Satisfaction

INTRODUCTION

The idea of leadership is quite complicated, and it has many different definitions, theories, and approaches. At its most fundamental level, leadership entails guiding and influencing individuals or groups toward achieving a shared objective or vision. According to Northouse (2019), leadership can be seen as a process where "one or more individuals engage with others in such a way that leaders and followers raise each other to higher levels of motivation and morality." Leadership is different from management, which primarily focuses on maintaining the status quo and ensuring efficiency in operations. However, leadership can also involve management aspects, such as setting goals and monitoring progress toward achieving them (Yukl, 2013).

Effective leadership can make a significant difference in achieving organizational goals and objectives. Research has identified several leadership styles: transactional, transformational, and servant. Transactional leadership involves a transactional relationship between the leader and the follower, where the leader uses rewards and Punishments to motivate followers. Transformational leadership, on the other hand, involves inspiring and empowering followers to achieve their full

potential. Servant leadership involves focusing on serving and meeting the needs of followers, which can ultimately result in improved performance and employee satisfaction (Avolio et al., 2009). Understanding the concept of leadership is crucial for managers and leaders in organizations. Effective leadership can lead to improved performance, and it is important to recognize the different leadership styles and approaches to find the most suitable one.

Transformational leadership has gained popularity in recent years as a leadership style that can significantly impact organizational performance. Transformational leadership involves inspiring and motivating employees to achieve their full potential rather than just focusing on getting the job done (Cooper & Finkelstein, 2021). This approach also emphasizes the development of long-term relationships with employees and focuses on the organization's shared vision. One key aspect of transformational leadership is inspiring and motivating followers to achieve their goals. It can involve communicating a clear vision for the future and providing a sense of purpose and direction for the organization (Avolio & Yammarino, 2013). Transformational leaders also work to empower their employees, giving them the autonomy and authority, they need to take ownership of their work and contribute effectively to the organization.

Another important aspect of transformational leadership is the focus on individual development and growth. Transformational leaders work to develop their employees' skills and capabilities, providing coaching and mentoring to help them reach their full potential (Omnia Mind, 2023). This approach benefits the individual employee and leads to improved performance and productivity for the organization as a whole. Transformational leadership is effective in various contexts, including business, education, and politics (Avolio & Yammarino, 2013). Research has shown that transformational leadership can lead to improved employee engagement, job satisfaction, organizational commitment, and higher levels of performance and productivity (Barling, Christie, & Hopton, 2011). Transformational leadership can be a powerful approach for organizations looking to improve performance and foster a positive work environment. By inspiring and motivating employees, providing opportunities for growth and development, and fostering a shared sense of purpose, transformational leaders can significantly impact their organizations.

Job satisfaction is a term used to describe how individuals feel about their work. It measures their overall contentment with their job, including their feelings about the work, their colleagues, their manager, and their company. (Robbins, Judge, & Campbell, 2017). The concept of job satisfaction has been studied extensively over the years as researchers seek to understand what factors contribute to job satisfaction and how it can be improved. One common approach to studying job satisfaction is assessing various work-related factors influencing an individual's satisfaction. These factors include pay and benefits, job security, relationships with colleagues and supervisors, opportunities for career development, and autonomy in decision-making (Judge & Bono, 2001)). Understanding these factors and how they interact can help organizations identify areas for improvement and promote a positive

work environment for their employees.

Research has also highlighted the relationship between job satisfaction and job performance. Studies have found that satisfied employees are more likely to work hard and be productive, which can lead to increased organizational performance (Judge, Thoresen, Bono, & Patton, 2001). This relationship is particularly important for employers to recognize, highlighting the need to invest in employee satisfaction to achieve organizational goals. Despite the significance of job satisfaction, no single factor guarantees job satisfaction for all employees. It is because individuals have different needs.

Furthermore, preferences when it comes to work. Furthermore, it should be noted that job satisfaction is not a singular occurrence but a continuous journey that can be impacted by various internal and external factors (Spector, 2012). Job satisfaction is an important aspect of work life that has been studied extensively over the years. It is influenced by a variety of factors, some of which can be controlled by organizations. By understanding these factors and investing in employee satisfaction, organizations can create a positive work environment that promotes employee well-being and organizational performance.

LITERATURE REVIEW

Transformational Leadership

Transformational leadership is a type of leadership approach that focuses on inspiring and motivating followers to reach their maximum potential. This leadership style involves developing a shared vision and granting employees the authority to take responsibility for their work. (Dobbs & Walker, 2010). Transformational leaders also focus on ethical behavior and serving the needs of their followers (Avolio & Gardner, 2005). This leadership approach has been linked to increased job satisfaction, higher levels of creativity, and improved organizational performance (Kim & Yukl, 2013). The capacity to establish a shared vision and purpose that inspires and motivates followers is a crucial component of transformational leadership. Transformational leaders are characterized by their ability to articulate a compelling vision for the organization and empower employees to work towards achieving it. It is supported by recent research that has found that transformational leadership is positively associated with innovative work behavior (Fuller, Marler, & Hester, 2013).

According to Northouse (2019), Transformational leadership is characterized by the ability to inspire and motivate followers to reach their full potential rather than solely concentrating on accomplishing organizational objectives. Whereas Liden et al. (2008) suggest, transformational leadership can exhibit servant leadership qualities, such as empowering followers and promoting growth and development. According to Avolio and Gardner (2005), transformational leadership is an approach that focuses not only on achieving organizational goals but also on promoting ethical behavior and decision-making. In addition, according to Srivastava (2011), Transformational leadership is a process of influencing followers to achieve higher levels of motivation and

performance by raising their awareness of the importance of shared goals and the values that guide those goals and activating their higher-order needs and moral values. Furthermore, Leithwood and Jantzi (2005) describe transformative leadership as an approach that seeks to make fundamental changes to the organization rather than simply maintaining the status quo.

It is also supported by Bass & Riggio (2006), who complement this by suggesting that transformational leaders create a shared vision for the organization and empower employees to take ownership of their work. These definitions illustrate the range of perspectives on transformational leadership, from its focus on inspiring and empowering followers to its ethical dimension and ability to effect fundamental change in the organization.

Another important aspect of transformational leadership is its ethical dimension. Transformational leaders focus not only on achieving organizational goals but also on promoting ethical behavior and decision-making within the organization (Avolio & Gardner, 2005). Recent research has found that transformational leadership is positively associated with a climate of ethical leadership within organizations (Kacmar, Carlson, & Harris, 2013). Transformational leadership has also been linked to higher levels of employee job satisfaction. A meta-analysis of 144 studies found that transformational leadership was positively related to job satisfaction (Judge & Piccolo, 2004). It may be due in part to the empowering and Supportive nature of transformational leadership, which can enhance employee well-being and engagement. Transformational leadership is a leadership approach that involves inspiring and motivating followers to achieve their full potential. It focuses on creating a shared vision, empowering employees, and promoting ethical behavior. Research has found that this leadership approach is associated with increased creativity, improved organizational performance, and higher employee job satisfaction.

Job Satisfaction

According to Daft (2015), Job satisfaction is a positive feeling of contentment that employees experience when their work fulfills them. It can be influenced by various factors such as recognition, salary, growth, job security, work environment, relationships with colleagues, and the ability to balance work and personal life. Satisfied employees are more likely to be productive and motivated and have a sense of loyalty and commitment to their organization. Conversely, employees who are happy with their job or work environment are more likely to be disengaged and have lower job satisfaction. Job satisfaction is an individual's attitude towards their job and the overall experience they have while working. It is a complex emotion and can be affected by factors such as job security, salary, recognition, work environment, relationships with colleagues, and the ability to balance work and personal life. (Greenberg, 2010)

While according to McShane & Von Glinow (2018), Job satisfaction is a complex emotion that reflects an individual's attitude towards their job. It is influenced by job security, salary,

recognition, work environment, relationships with colleagues, and the ability to balance work and personal life. Positive job satisfaction can lead to higher employee engagement and productivity, while negative job satisfaction can lead to lower engagement and productivity. In addition, job satisfaction can also be defined as an individual's overall evaluation of their job and work environment. It is a complex emotion and can be affected by factors such as job security, salary, recognition, work environment, relationships with colleagues, and the ability to balance work and personal life. Positive job satisfaction can lead to higher employee engagement and productivity, while negative job satisfaction can lead to lower engagement and productivity. (Colquitt, Lepine & Wesson, 2019) Job satisfaction is an individual's attitude and emotional response to their job. It is influenced by several factors, including job security, salary, recognition, work environment, relationships with co-workers, and the ability to balance work and personal life. Positive job satisfaction leads to increased engagement and productivity, while negative job satisfaction causes disengagement and decreased productivity. (Hitt, Miller & Colella, 2015) Furthermore, Judge and Bono (2001) explain that job satisfaction is a positive emotional state resulting from an individual's appraisal of their job or job experiences. It is also supported by Griffin & Moorhead (2019) satisfaction is an individual's attitude and emotional reaction to their job. It is impacted by numerous aspects such as job security, salary, recognition, work environment, relationships with co-workers, and balancing work and personal life. Positive job satisfaction leads to increased engagement and productivity, while negative job satisfaction can cause disengagement and decreased productivity. Overall, these definitions highlight that job satisfaction is a complex construct that can be influenced by various factors associated with both the individual and the work environment.

Research has identified numerous factors that can impact job satisfaction. One study found that interpersonal relationships with colleagues and supervisors significantly predict job satisfaction (Huang, Lawler, & Lei, 2007). Another study found that job security and opportunities for career growth were also important factors (Kim, Cassidy, & Wilkins, 2018). By understanding these factors, organizations can work towards providing a supportive and satisfying work environment for their employees. Job satisfaction is also linked.

Studies have found that satisfied employees are more productive, have lower absenteeism rates, and are less likely to quit their jobs (Judge, Thoresen, Bono, & Patton, 2001). These findings highlight the importance of investing in employee well-being and satisfaction to increase organizational performance.

METHOD

This literature review begins with selecting topics and keywords to locate relevant journals. Selecting topics and keywords for a literature study is critical because it determines the accuracy and relevance of the data gathered. After selecting and refining the keywords, the literature review process involves searching academic databases such as Google Scholar and Mendeley for journal

articles published within a specific timeframe. The databases used are Google Scholar and Mendeley, published in 2020-2023. The keywords in the journal search were transformational leadership and job satisfaction. There were specific criteria for selecting journals to ensure the literature study remained focused. The chosen journals had to discuss transformational leadership and job satisfaction, be original research, and be published in English. Articles that did not meet these criteria or were review articles were excluded from consideration. One hundred twenty articles were initially obtained from the search, but only 20 were deemed relevant after reviewing their abstracts. From these 20 articles, only three were selected for this literature review, as they presented the most insightful and relevant information. This criteria-based approach for selecting journals ensures that only the most appropriate literature is included in the review, leading to a thorough and relevant analysis of the chosen topic.

Findings

Articles utilizing quantitative research methods were selected for this research project's literature review and subsequently used. The article was chosen because it relates to this research, especially its variables related to transformational leadership and job satisfaction. The summary of the research showed in Table 1.

Table 1 The summary of the research

Author (year)	Research Objectives	Theoretical Framework	Methods	Participants	Key Findings
Pardede, M. F. R. P., & Yanuar, S. T. (2020)	To examine the impact of transformational leadership and Human Resource Development on job satisfaction and its Influence on job engagement	Based on the Social Exchange Theory,	Quantitative Method	176 people	This study found that transformational leadership and human resource development has a positive and significant impact on job satisfaction and attachment. The study found that 89% of the variance in job satisfaction was explained by transformational leadership and H.R. development, while 100% of the job attachment variable

					was determined by transformational leadership, H.R. development, and job satisfaction.
Valldeneu, M., Ferras, X., & Tarrats, E. (2021).	To understand which leadership style and Specific behaviors have a significant correlation with and encourage a positive increase in millennial job satisfaction. The study focuses on the impact of transformational behavior on the job satisfaction of millennials.	Based on the full-range model of leadership	Quantitative Method	167 employees,	The key findings of this research are that transformational leadership has a significant positive correlation with millennial job satisfaction. The study also found that idealized attributes, idealized behavior, inspirational motivation, intellectual stimulation, and individualized consideration have a significant positive impact on job satisfaction. In contrast, transactional and passive-avoidance leadership styles were found to have no

					significant correlation with job satisfaction among millennials.
Choi, S.L., Yusuf, W.M., Tan, O.K., & Low, H.H. (2014)	To examine the relationship between transformational leadership style and employee job satisfaction.	This framework proposes that transformational leaders create a new and original understanding of management in an organization, which positively affects employees.	Quantitative Method	255 employees	The key finding of this research is that there is a significant positive relationship between individualized consideration, one of the four characteristics of transformational leadership, and job satisfaction.

RESULT AND DISCUSSION

In recent years, there has been a growing focus on how different leadership styles can impact employees' satisfaction and engagement. The concept of transformational leadership, which emphasizes encouraging and energizing followers to realize their full potential, has garnered much attention in recent years in the academic world. This paper presents the key findings of three studies that examined the relationship between transformational leadership and job satisfaction. The first study explored the impact of transformational leadership and human resource development on job satisfaction and engagement in P.T. Wijaya Karya (Persero) Tbk, one of Indonesia's largest state construction companies. The study found that both transformational leadership and human resource development have a significant positive effect on job satisfaction and job engagement.

The second focused on the correlation between transformational leadership and job satisfaction among millennials. The study found that transformational leadership significantly correlates with job satisfaction among this group. Additionally, the study found that specific characteristics of transformational leadership, such as idealized attributes and individualized consideration, significantly impact job satisfaction among millennials. The third study delved further into the relationship between Individualized consideration is a key component of transformational leadership and job satisfaction. This study found that all components of transformational leadership were highly correlated with each other and strongly correlated with subordinate job satisfaction. The study also found that as transformational leadership practice increases, subordinate job satisfaction also

increases.

These studies provide valuable insights into the role of transformational leadership in fostering employee satisfaction and engagement, particularly through human resource development and individualized consideration. Such findings have important implications for organizations seeking to improve their leadership practices and enhance employee satisfaction and engagement. The first study provides insights into the relationship between transformational leadership, human resource development, and employee satisfaction and engagement. The study found that transformational leadership and human resource development have a positive and significant effect on job satisfaction and engagement, highlighting the importance of investing in these areas to enhance employee satisfaction and engagement. The study also found that job satisfaction has a positive and significant effect on job engagement, suggesting that when employees are satisfied with their jobs, they are more likely to be engaged in their work. Additionally, the study provides demographic insights into the employees at P.T. Wijaya Karya (Persero) Tbk revealed that most employees were males between 25-35 years old, had earned a bachelor's degree, and had worked for more than five years.

The study utilized statistical software to investigate the relationship between transformational leadership style, human resource development, job engagement, and job satisfaction. The analysis found that transformational leadership and H.R. development could explain 89% of the variance in job satisfaction. The remaining 11% could be explained by other variables not included in the study. Furthermore, the study found that 100% of the job engagement variable could be determined by transformational leadership, human resource development, and job satisfaction variables. Overall, this study highlights the importance of transformational leadership and H.R. in promoting employee satisfaction and engagement, with findings that can be useful for organizations seeking to enhance these areas. The demographic information provided also gives some insights into the employee profile of a large Indonesian state construction company.

The second study provides insights into the relationship between transformational leadership and job satisfaction among millennials. The study found that transformational leadership significantly correlates with job satisfaction among this group, suggesting that millennials respond positively to leadership styles that inspire and motivate them to achieve their full potential. Furthermore, the study identified five specific transformational leadership characteristics that significantly impact job satisfaction among millennials, including idealized attributes, idealized behavior, inspirational motivation, intellectual stimulation, and individualized consideration. These findings suggest that leaders who embody these characteristics are more likely to have a satisfied millennial workforce.

Interestingly, the study also found that transactional and passive-avoidance leadership styles had no significant correlation with job satisfaction among millennials. Leaders who employ these styles may not be as effective in motivating and engaging millennials and may need to adopt more transformational approaches to achieve desirable outcomes. Overall, the study provides valuable insights into the leadership styles most effectively promoting job satisfaction among millennials. It

underscores the importance of transformational leadership and specific characteristics such as individualized consideration and highlights the limitations of transactional and passive-avoidance leadership styles. These findings have practical implications for organizations seeking to improve employee satisfaction among millennials by adopting more effective leadership practices.

The study contributes to the growing research on the relationship between transformational leadership and employee satisfaction. It specifically focuses on the importance of individualized consideration, one of the four characteristics of transformational leadership, in fostering job satisfaction. The study found a significant positive relationship between individualized consideration and job satisfaction, suggesting that leaders who pay attention to their subordinates' individual needs and concerns are more likely to have a satisfied workforce. Additionally, the study found that all components of transformational leadership were highly correlated with each other and strongly correlated with subordinate job satisfaction. The finding suggests that transformational leadership is a cohesive approach positively related to employee satisfaction.

The regression analysis further supports the significant relationship between transformational leadership and job satisfaction, as the practice of transformational leadership explained 40.6% of the variance in subordinate job satisfaction. Organizations prioritizing transformational leadership practices are likely to experience higher levels of employee satisfaction. Interestingly, the study also found that as transformational leadership practices increase, subordinate job satisfaction also increases. It highlights the importance of consistently applying transformational leadership practices to achieve desirable outcomes. Overall, this study provides further evidence for the positive impact of transformational leadership on employee satisfaction, particularly through individualized consideration. The findings can be useful for organizations seeking to improve employee satisfaction levels by adopting a more transformational leadership approach. However, it is important to note that the study was conducted in a specific setting and may only be generalizable to some organizations and contexts.

CONCLUSION

The three studies suggest that transformational leadership positively and significantly affects job satisfaction and engagement. Specifically, individualized consideration, idealized attributes, idealized behavior, inspirational motivation, and intellectual stimulation were found to have a significant positive impact on job satisfaction. The studies also suggest that human resource development plays a significant role in improving employee satisfaction and engagement. However, other leadership styles, such as transactional and passive avoidance, were found to have no significant correlation with job satisfaction. These findings can be useful for organizations looking to improve employee satisfaction and engagement by focusing on developing transformational leadership skills and providing opportunities for human resource development.

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