The Effect of Leadership Style to Motivation and Job Satisfaction

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Abstract: Literally leadership is the nature, capacity, and ability of a person to lead. Understanding the concept of leadership very well helps organizations work more effectively and efficiently in achieving goals according to desired conditions. This study aims to analyze the effect of transformational and transactional leadership on motivation and job satisfaction. Using 85 employee samples, this study used a questionnaire as the main instrument. The collected data is then analyzed using Smart PLS3 to test the hypothesis. The results showed that of the five hypotheses proposed, one hypothesis was rejected. Transformational and transactional leadership has a significant effect on job satisfaction. Transformational leadership has a significant effect on job satisfaction, but transactional leadership has no significant effect on job satisfaction. Furthermore, job satisfaction has a significant effect on job satisfaction.

Keywords: leadership style, motivation, job satisfaction

1. Introduction

Job satisfaction is a positive feeling about work as a result of evaluation of job characteristics (Riana et al., 2018, pusptawati and Riana, 2016). Employees who feel satisfaction at work tend to have positive feelings about their work, (Robbins and Judge, 2017). As a work attitude, job satisfaction can be influenced by a number of things (Nguyen et al., 2003), including motivation. Motivation provides an overview of why and how employees are encouraged (Ibrahim, 2014) so they want to work sincerely for the achievement of organizational goals (Riana, 2015). Job satisfaction can lead employees to develop attitudes at work in the form of job satisfaction (Zhao et al., 2014). Motivated employees tend to find it easier to feel satisfaction at work (Yamsul et al., 2013 and Hutabarat et al., 2014). Besides motivation, leadership style is also an important factor for increasing job satisfaction. Velu et al., (2017), explained that leaders are individuals who have the skills and integrity to effect people around to do joint activities and inspire by sharing a vision of the future. Leadership is related to the ability to effect others to behave according to their will even though they are personally disliked (Siagian, 2013).

A leader motivates followers through certain leadership styles that will result in achieving group goals and individual goals. Therefore, leadership style plays an important role in moving subordinates to carry out the organization's vision, mission, and goals (Velu et al. 2017). There are two leadership styles that can be applied in organizations, namely transformational and transactional leadership (Bass and Riggio, 2006). Transactional leader types are more direct and motivate followers to goals that have been set by clarifying goals (Barbuto, 2005). While the transformational leader style is seen to inspire followers to put aside personal interests for the sake of the organization (Muenjohn and Armstrong, 2007).

A number of research results indicate that transformational leadership makes a significant contribution in increasing job satisfaction (Braun et al. 2013; Kunzle et al. 2012). In contrast, Firmansah and Supriyadi, (2018), stated that the values of transactional leadership can increase employee job satisfaction. Research conducted by (Nur, 2018; Zareen et al., 2015) states that the value of transactional and transformational leadership can increase employee job satisfaction and motivate employees (Lee et al., 2013). Other results suggest that motivation has a significant effect on job satisfaction (Khalid et al., 2011 and Singh and Tiwari, 2011). Motivated employees who try to achieve goals voluntarily and subsequently will produce job satisfaction (Beheshtifar, 2013). This study aims to analyze the effect of leadership style on job satisfaction and job satisfaction.

2. Literature Review and Hypothesis Development

Leadership is a process of directing and giving effect to the various activities of a group of members who have interconnected tasks. From a number of leadership styles, there are two leadership styles that are often used in organizational practice, namely transformational leadership and transactional leadership (Bass, 2014: Berry and Houston, 2013; Keller, 1992). According to Wahjosumijo (2012), transformational leadership has a close relationship with motivation because the success of moving others in achieving organizational goals is very dependent on the authority of the leadership. Dadi (2015) states that there is a significant effect between transformational leadership and motivation. The transformational leadership model has introduced a leadership model that includes four principles. First, Link and friendly, which is maintaining personal relationships with the principle of equality without any restrictions. Second, empowered and accountable, delegated and responsible for every decision taken. Third, managing anytime, anywhere, namely leadership that manages subordinates almost all the time, not limited to when in the office. Fourth, serving to customers, peers and partners, namely service to customers, coworkers, and business partners.

Conversely, transactional leaders direct or motivate followers to set goals by clarifying their goals. In general, transactional leaders work in a reward or punishment system for employees. Research conducted by Barbuto (2005) states...
that transactional leadership has a significant effect on employee motivation. Motivated leaders see value in a reward system for their employees (Barbuto, 2005). Extrinsic motivation is characterized by optimism of self-will or self-interest but with the recognition that everything has a real price. A number of research results show that transformational leadership has a significant effect on job satisfaction (Sofiah et al., 2014; Chua and Ayoko, 2019; Lee and Kuo, 2019; Aaron, 2006).

H1: Transformational leadership has a significant effect on job satisfaction

H2: Transactional leadership has a significant effect on job satisfaction.

Transformational and transactional leadership models have been extensively studied in influencing work behavior. Transformational and transactional leadership styles are found to have a direct relationship with employee job satisfaction. Belias and Koustelios, (2014), stated that there is a significant relationship between transformational leadership and employee job satisfaction. Transformational leadership as a determinant that can affect employee attitudes, perceptions and behavior. Transformational leadership values can increase employee trust in leaders, motivate, and even increase job satisfaction because they are able to reduce the number of conflicts that often occur in an organization (Bushra et al., 2011; Marnis, 2014; Idrus et al., 2016). Numerous studies state that there is a significant relationship between transactional leadership and job satisfaction (Baptiste et al., 2019 ;, Lan et al., 2019). According to Rahmat et al., (2019) leadership style has a vital role in creating employee job satisfaction. Different leadership styles can produce different work situations that directly affect job satisfaction (Cheung et al., 2011; Vecchio et al., 2008; Timothy & Ronald, 2004; Boamah et al., 2018).

H3: Transformational leadership has a significant effect on job satisfaction.

H4: Transactional leadership has a significant effect on job satisfaction.

Employees become actors who support the achievement of organizational goals have thoughts, feelings, and desires that can affect negative attitudes in the workplace. To develop positive employee attitudes, leaders must be able to motivate employees to increase employee job satisfaction (Roh et al., 2016). Job satisfaction is an important factor in increasing employee job satisfaction. Arifin (2015) states that employees who have strong motivation tend to more easily feel satisfaction at work. Research Breauagh et al., (2018) states there is a significant effect between motivation and employee job satisfaction. Furthermore, a number of other researchers reiterated that job satisfaction can significantly increase job satisfaction (Steijn & van der Voet, 2019; Liu et al., 2018; Prysmakova & Vandenabeele, 2019)

H5: Motivation has a significant effect on job satisfaction.

3. Methods

This study uses a quantitative design by distributing questionnaires using a Likert scale, from scale 1 shows strongly disagree to scale 5 shows strongly agree. The study population was employees of the Klungkung District Health Office using a questionnaire distributed to all employees at one month intervals. A total of 85 questionnaires were returned and filled out completely and were declared valid. Transformational leadership measurement adopts the Multifactor Leadership Questionnaire (MLQ) from Bass and Avolio (1995). Transactional leadership refers to Yukl (2009) while work motivation adopts Robbins and Judge (2017) and job satisfaction refers to Spector's research indicators (1985). Then the data collected was analyzed using structural equation modeling using PLS. The profile of research respondents is shown in Table 1 below.

Table 1: Respondent Profile

<table>
<thead>
<tr>
<th>No</th>
<th>Demography</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>&lt; 20 years old</td>
<td>2</td>
<td>2.35</td>
</tr>
<tr>
<td></td>
<td>21 - 30 years old</td>
<td>24</td>
<td>28.24</td>
</tr>
<tr>
<td></td>
<td>31 - 40 years old</td>
<td>22</td>
<td>25.88</td>
</tr>
<tr>
<td></td>
<td>41 - 50 years old</td>
<td>23</td>
<td>27.06</td>
</tr>
<tr>
<td></td>
<td>&gt; 50 years old</td>
<td>14</td>
<td>16.47</td>
</tr>
<tr>
<td></td>
<td>85</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Male</td>
<td>58</td>
<td>68.24</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>27</td>
<td>31.76</td>
</tr>
<tr>
<td></td>
<td>85</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Education Background</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Junior High School</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Senior High School</td>
<td>15</td>
<td>17.64</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>18</td>
<td>21.18</td>
</tr>
<tr>
<td></td>
<td>Bachelor</td>
<td>35</td>
<td>41.18</td>
</tr>
<tr>
<td></td>
<td>Postgraduate</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>85</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Working Time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>1 - 10 years</td>
<td>42</td>
<td>49.41</td>
</tr>
<tr>
<td></td>
<td>11 - 20 years</td>
<td>35</td>
<td>41.18</td>
</tr>
<tr>
<td></td>
<td>&gt; 20 years</td>
<td>8</td>
<td>9.41</td>
</tr>
<tr>
<td></td>
<td>85</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Validity and Reliability Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transnational leadership (X1)</td>
<td>0.856</td>
<td>0.859</td>
<td>0.888</td>
<td>0.5</td>
</tr>
<tr>
<td>Transnational leadership (X2)</td>
<td>0.907</td>
<td>0.913</td>
<td>0.925</td>
<td>0.607</td>
</tr>
<tr>
<td>Motivation (Y1)</td>
<td>0.890</td>
<td>0.899</td>
<td>0.913</td>
<td>0.569</td>
</tr>
<tr>
<td>Job Satisfaction (Y2)</td>
<td>0.873</td>
<td>0.884</td>
<td>0.900</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Table 2, informs that the model has adequate validity and reliability. This can be seen from the Cronbach’s alpha value above 0.7 and the distribution of the rho_A value above 0.70. The quality of construct reliability is also seen from the

4. Results and Discussion

Inner Model Testing

Outer model testing is done to test the validity and reliability of the variables used. In general this test uses discriminant validity test, convergent validity and composite reliability. The results of composite testing and convergent validity are shown in the following table.
distribution of reliability composite values which are at coefficient values above 0.7. Likewise, the average variance extracted (AVE) value has a spread above 0.5, which means the model meets the convergence criteria of validity. Based on these results, the model is said to have been feasible because it has adequate validity and reliability.

**Structural Model Testing (Inner Model)**

The structural model needs to be evaluated using R-square for the dependent variable and its significance value is based on the t-values for each path. The structural model in this study is presented in Figure 1. After the estimated model meets the outer model criteria, the inner model testing is then performed. Assessing the inner model is tantamount to seeing the relationship between latent constructs by looking at the estimation results of the path coefficient and its significance level. Table 2 shows the R-square values for each endogenous variable. According to Ghozali (2011), the R-square value between 0.67 - 1 indicates that the model is good, while the R-Square range between 0.34 - 0.66 indicates a moderate structural model, and if the R-Square is between 0.33 to below the model is relatively weak.

Table 2 shows the R-square value of 0.832 for the construct of motivation. This means that the variability of the construct of motivation can be explained by the construct of transformational leadership and transactional leadership by 83.2 percent. The remaining 16.8 percent is explained by other factors besides transformational leadership and transactional leadership. Furthermore, the construct of job satisfaction is explained by the construct of transformational leadership, transactional leadership, and motivation of 0.802. This means that the variability of the construct of job satisfaction can be explained by the construct of transformational leadership, transactional leadership, and motivation by 80.2 percent. The remaining 19.8 percent is explained by other factors besides transformational leadership, transactional leadership, and motivation.

Based on R² in Table 2 it can be calculated Q² or Stone Geiser Q-Square test, namely:

\[
Q = 1 - \{(1 - 0.832) (1 - 0.802)\} \\
= 1 - \{(0.168) (0.198)\} \\
= 0.967
\]

Q² calculation results of 0.967 so that it can be said to have a high predictive prevalence, so the resulting model is feasible to use to predict. Figures of 0.967 can be interpreted that variations in job satisfaction of 96.7 percent can be explained by variations in variables of transformational leadership, transactional leadership, and motivation, while the remaining 3.3 percent is explained by other variables outside the model.

**Direct Effect, Indirect Effect, and Total Effect**

Analysis of direct effect, indirect effect, or total effect, can explain the relationship between research variables (latent variables). The intended variables are transformational leadership, transactional leadership, motivation, and job satisfaction. The direct effect is shown by the coefficient of all arrows with one end, whereas the indirect effect occurs through the role of one or several intermediate variables. To find out the direct effect of construct variables can be seen from the results of the analysis of the path coefficients shown in Table 3.

**Table 3: R-square**

<table>
<thead>
<tr>
<th>Variable</th>
<th>R Square</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership (X1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactional leadership (X2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivation (Y1)</td>
<td>0.832</td>
<td>Baik</td>
</tr>
<tr>
<td>Job Satisfaction (Y2)</td>
<td>0.802</td>
<td>Baik</td>
</tr>
</tbody>
</table>

**Table 4: Path Coefficient direct effect**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 -&gt; Y1</td>
<td>0.478</td>
<td>0.474</td>
<td>0.105</td>
<td>4.559</td>
<td>0.000</td>
<td>Sig.</td>
</tr>
<tr>
<td>X1 -&gt; Y2</td>
<td>0.431</td>
<td>0.424</td>
<td>0.134</td>
<td>3.216</td>
<td>0.001</td>
<td>Sig.</td>
</tr>
<tr>
<td>X2 -&gt; Y1</td>
<td>0.478</td>
<td>0.482</td>
<td>0.102</td>
<td>4.679</td>
<td>0.000</td>
<td>Sig.</td>
</tr>
<tr>
<td>X2 -&gt; Y2</td>
<td>0.137</td>
<td>0.143</td>
<td>0.123</td>
<td>1.113</td>
<td>*0.133</td>
<td>Not sig.</td>
</tr>
<tr>
<td>Y1 -&gt; Y2</td>
<td>0.369</td>
<td>0.371</td>
<td>0.141</td>
<td>2.662</td>
<td>0.004</td>
<td>Sig.</td>
</tr>
</tbody>
</table>

**Table 5: Indirect Effects**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 -&gt; Y1</td>
<td>0.176</td>
<td>0.179</td>
<td>0.084</td>
<td>2.109</td>
<td>0.018</td>
</tr>
<tr>
<td>X2 -&gt; Y1</td>
<td>0.176</td>
<td>0.178</td>
<td>0.074</td>
<td>2.370</td>
<td>0.009</td>
</tr>
</tbody>
</table>

Based on Table 4 it can be explained that four direct effect hypotheses were accepted and one direct effect hypothesis was rejected. Furthermore, to analyze the indirect effects of transformational and transactional leadership on job satisfaction through work motivation can be seen from the results of the analysis of the indirect effects values shown in Table 4.

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Based on Table 5 it is informed that transformational leadership has an indirect effect on job satisfaction through motivation. Transactional leadership also indirectly effects job satisfaction through motivation.

**Hypothesis Test Results**

The effect of transformational leadership on motivation with a path coefficient value of 0.478, and a p-value of 0.000 that is less than 0.05. Likewise, the t-statistic value is also greater than 1.96, which is valued at 4.679. So, directly transformational leadership has a positive and significant effect on motivation. The effect of transactional leadership on motivation has a path coefficient of 0.431, with a p-value of 0.208 which is less than 0.05. The t-statistic value is less than 1.96 which is valued at 3.216. So, transactional leadership directly has a positive and significant effect on motivation.

The effect of transformational leadership on job satisfaction has a path coefficient of 0.478, with a p-value of 0.001 which is less than 0.05. Likewise, the t-statistic value is also greater than 1.96, which is valued at 4.679. So, directly transformational leadership has a positive and significant effect on job satisfaction. The effect of transactional leadership on job satisfaction has a path coefficient of 0.137, with a p-value of 0.133 which is greater than 0.05. Likewise, the t-statistic value is also less than 1.96 which is valued at 1.113. So, directly transactional leadership has no significant effect on job satisfaction. While the effect of motivation on job satisfaction has a regression coefficient of 0.369, with a p-value of 0.004 which is less than 0.05. Likewise, the t-statistic value is also greater than 1.67 which is valued at 2.662. So, direct motivation has a positive and significant effect on job satisfaction.

Furthermore, the effect of transformational leadership on job satisfaction through motivation with a path coefficient of 0.176, and a p-value of 0.018 which is less than 0.05. Likewise, the t-statistic value is also greater than 1.96, which is valued at 2.109. So, indirectly transformational leadership has a significant effect on job satisfaction through motivation. While the effect of transactional leadership on job satisfaction through motivation with a path coefficient value of 0.176, with a p-value of 0.009 which is less than 0.05. Likewise, the t-statistic value is also greater than 1.96 which is valued at 2.370. So, indirectly transactional leadership does not significantly effect job satisfaction, but it has a significant effect through motivation.

**5. Discuss**

Job satisfaction is a psychological condition that is felt by employees for their role in the organization and is often identified with things that are individual (Leung & Leung, 2010 ; Robbins and Judge, 2017). There are several dimensions that can predict job satisfaction (Leung et al. 2007), such as the type of work, compensation, implementation of supervision, satisfaction with aspects of promotion, to relationships with colleagues. Job satisfaction also refers to the positive attitude of employees towards the tasks assigned by the organization (Riana, et al., 2018) so that employees do various things that are possible to maximize the desired satisfaction, even can make a maximum contribution to the organization (Riana, 2015). In order for employees to more easily feel satisfaction in the workplace, leaders are demanded to be able to make employees have work motivation (Zhao et al., 2014). Motivation is one of the important factors in increasing employee job satisfaction. Highly motivated employees tend to be more creative at work so they are able to more easily feel satisfaction (Yamsul et al., 2013 and Hutabarat et al., 2014). Employee work motivation plays an important role in increasing job satisfaction, so it requires the leadership's active role so that employees always have high motivation at work. High work motivation can increase employee job satisfaction so that organizational performance will increase (Thaweewararuk, 2006). The higher the employee motivation at work, the easier the employee will feel job satisfaction.

The results of the study prove that transformational leadership and transactional leadership have a significant effect on motivation. Essentially, transformational and transactional leadership aims to make employees more focused and passionate in completing their work, responsible and have high discipline. To create employees who have a high focus on working, one of the steps that leaders can take is to pay attention and be able to transform exemplary values to increase employee motivation and job satisfaction (Cheung. & Chi-Sum, 2011). Employees who feel given a guide that is easy to apply by the leader can make employees more motivated to work so that employee job satisfaction is increasing. Work motivation aims to increase job satisfaction, therefore leadership guidance to employees must get serious attention. The higher the intensity of the leadership to provide direction and role models to employees, then employees will be more motivated to work. Likewise, the better and fostering harmonious work relationships will in turn also increase employee job satisfaction. Transformational leadership is considered effective in a variety of situations because it can bring employees to feel trust, admiration, loyalty, and respect for leaders (Muenjohn and Armstrong, 2007).

Other research results found that transactional leadership has no significant effect on job satisfaction. This means that the values of transactional leadership do not have a real impact on job satisfaction. However, transactional leadership nuances can increase employee motivation. Employees who feel given certain promises at work tend to be easier to be motivated at work so that job satisfaction is increasing. The results of this study indicate that although transactional leadership is perceived well by respondents, it turns out that this does not have a real impact on job satisfaction. In this case, the value of transactional leadership does not directly increase employee satisfaction but through work motivation. Thus, transactional values are more appropriate to be used to provide work motivation, which in turn employees can feel satisfaction at work (Steijn & van der Voet, 2019; Liu et al., 2018).

**6. Conclusion and Limitation**

Transformational leadership values such as making changes and having high morality in leading play an important role in
increasing employee responsibility for their work. Likewise, employees who feel that leaders always maintain good relations with superiors and are realistic in addressing all employee needs can increase employee motivation. While change-oriented leaders are able to increase employee awareness at work so that employees feel satisfaction at work. Conversely, transactional leaders have not been able to increase employee satisfaction so that employees feel less concerned with their work. Furthermore, the model simultaneously provides information that leadership values play an important role in increasing work motivation and job satisfaction. Meanwhile, transactional leadership values play an important role in increasing employee motivation, but do not play a role in increasing employee satisfaction. Referring to the respondents’ perceptions, leaders should always make changes and show high morality so that employees work according to their vision, mission, goals so that they motivate employees to work based on work procedures and work mechanisms.

The implications of this study indicate that although transactional leadership is perceived well by respondents, it has no real impact on job satisfaction. In this case, the value of transactional leadership, has not been able to increase employee job satisfaction. The leadership is deemed necessary to always pay attention to employee work motivation considering work motivation plays a central role in increasing employee job satisfaction. This study has limitations because the sample is only taken from the District Health Office so that it cannot be generalized to other departments in other districts. In addition, perceptions of leaders (superiors) can also be different considering the assessment is made on direct superiors. The organization has three levels so that the assessment of leaders has two levels, namely the middle level and the top level which allows an assessment bias.

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