

IMPACT OF THE TRANSFORMATIONAL AND TRANSACTIONAL STYLE OF THE LEADERSHIP ON THE JOB SATISFACTION OF THE BANKING SECTOR EMPLOYEES

Devaki Meena
Research Scholar- Management

ABSTRACT

Introduction - Leadership is a procedure through which a private impact a team of individuals to achieve typical goals". Executives today do not depend upon their reputable power to persuade people to do when they are told but they take a concern in an interaction with the subordinates of theirs or maybe they raise as well as widen the interest of their subordinates. Since 1990 transformational and transactional leadership methods provided are actually probably the most crucial and are most popular as well as tried for the leadership studies.

Aim of the study – The main aim of this study is to assess the relationship between leadership style and job satisfaction

Research methodology – The study is exploratory in nature. The data have been collected through the primary and secondary sources with the help of the questionnaire distributed to the 230 respondents. The hypothesis has been tested through the correlation.

Conclusion - This study shows that the transactional leadership style is more embraced by branch supervisors in the private banking sector of India and this is the principle leadership style that can build the employees' job satisfaction essentially because of solid positive correlation with their job satisfaction.

Keywords – Transformational, Transactional, leadership style, job satisfaction, employee, banking sector, etc.

1. INTRODUCTION

1.1 Introduction

Leadership strongly affects the demeanour of employees towards their jobs. The part of leaders in the present associations has changed

and the accomplishment of any association depends on the leadership styles rehearsed by the leaders. Leadership is the demonstration of driving a gathering of individuals towards the fulfilment of an expressed objective. It is the specialty of rousing, affecting and propelling individuals to get productive change the

association. It encourages employees to react a typical way when they are affected by their leaders. Leader is an individual who chooses, trains and aides at least one adherent and cause them to eagerly facilitate their endeavours to accomplish hierarchical targets. Transformational leadership was the focal point of exploration in the past examinations yet a few analysts have presented various classifications.

Leadership is vital to acceptable performance since it arranges both use of human and different assets in the association. Great leader spurs employees and inspired employees doesn't just expand their job performance and duty inside an association, yet additionally goes past the job prerequisites consequently expanding the association's overall performance and making it more beneficial. To limit this weight and to actuate development of the associations, employee duty is an essential need. As indicated by Hersey and Blanchard (1984), in any event equivalent accentuation must be given to improve the nature of leadership if business is to prevail with regards to accomplishing more prominent employee duty and along these lines its benefit. Numerous past investigations have distinguished that employee responsibility and leadership styles are central point which decides the achievement or disappointment of an association.

1.2 Job satisfaction

Job satisfaction is a mix of physiological and mental things that staff feeling satisfy toward their job. Truly, job satisfaction is distinguishing viable directions of people about their association part. Then again, job satisfaction is a bunch of positive and negative feelings, attitudes and beliefs that work force have about their job. Furthermore, it is an inward inclination connected with inside and outside inspirations and changed by them. This inside inclination considered as a hidden standard in the vast majority of HR fields and has a great deal of utilizations at association. Job satisfaction alludes to the delight feeling started from playing out a job and inspirations identified with an association.

There are a ton of variables that impact on satisfaction. Besides, perceiving every one of these components can be useful for improving staff job satisfaction. These components separated in two principle bunches that in Maslow's progression and Herzberg hypothesis accepted as inner and outside inspirations. All things considered, outer and inward factors have perceptible function in making and satisfy these requirements. However, sometimes these inspirations make negative impact on job satisfaction and lead to some irregular responses among staff at association.

1.3 Leadership Style

Leadership styles are as a basic indicator and have a focal part at public instructive associations. In other word, leadership is an administration subordinate which is generally coordinated towards people and social correspondence. This outer factor accepted as helper that can change fundamental human requirements by its styles. There are various examines completed in various nations and indicated that there is a nearby connection between leadership styles and the job satisfaction. Actually, this outer inspiration can change the measure of satisfaction.

The culture as well as perspective of a company decide which one is probably the most appropriate style. One of the more useful leadership types is actually the transformational leadership style. Transformational leaders inspire the staff of theirs through highly effective communication as well as cooperation and hence initiating the road to success.

Leadership style is the way as well as strategy of offering direction, using plans, and encouraging individuals. As seen by the workers, it consists of the entire pattern of implicit and explicit actions done by the leader of theirs

The seven primary leadership styles are:

- Autocratic Style

- Authoritative Style
- Pacesetting Style
- Democratic Style
- Coaching Style
- Affiliative Style
- Laissez-Faire Style

1.4 Transformational and Transactional Leadership

Despite the fact that there are different hypothetical ways to deal with study the leadership styles yet transformational and transactional leadership structure has gotten extensive examination uphold. Examination contemplates directed on leadership generally accentuation on transformational leadership yet some different investigates additionally offer significance to transactional leadership. These investigations recommended that transformational leadership has more effect on agents' perspectives towards their jobs as contrast with transactional leadership.

Seen hierarchical legislative issues has additionally a significant effect on results since it frequently meddles with the typical cycles of associations like prizes, dynamic and advancements, which harm the performance and profitability at both authoritative and individual level. Recognitions about the governmental issues in association are

unequivocally associated with equity and reasonableness that can increment or diminishing the degree of satisfaction of employees and it contrasts from individual to individual and not a thing structure without anyone else. Leadership is one of the elements that impact the view of authoritative governmental issues, which at last influence the degree of satisfaction of employees about their work. One of the goals of leadership is the administration of the impression of authoritative governmental issues of the employees that impact their results. Viable leaders who have great leadership styles can direct or limit the authoritative governmental issues observations subsequently expanding job satisfaction. Hence, leadership style and authoritative governmental issues both are significant components that may influence employee's satisfaction with respect to their job. To the best information on analyst, no exploration concentrate up till now has been directed to examine the interceding part of apparent authoritative governmental issues between leadership styles (for example transformational, exchange) and job satisfaction in setting of instructive area of India, which this investigation will do. More noteworthy comprehension about the connection between leadership styles, seen authoritative governmental issues and job satisfaction permits better administration of rapidly changing hierarchical circumstances,

while diminishing hierarchical legislative issues discernments and its negative results.

1.5 Effect of leadership styles on job satisfaction

Leadership is prevalent man phenomenon and noticed from Ancient to contemporary period. In reality, the quantity of leadership meanings is actually the just like the amount of the people that have previously defined it. Many definitions are created from top followers to attain a certain achievement aiming several areas. Additionally, leadership is the process of influencing a team or an individual in endeavour towards attain an objective. Furthermore, leadership is usually an interpersonal strategy that a leader work to uncover followers' possible requirements as well as gratifies them. Thus, the aims of the group may be accomplished by influencing followers. Leadership is actually a set of relevance perspective which boost the propensity as well as actions of others to be able to satisfy shared group objective and requires that included a number of styles. As a situation of fact, leadership types determine aim, guidance as well as staff software at business. These types are authoritarian, laissez fair, democratic, paternalistic leadership, transformational and transactional. Authoritarian design refers to absolutely command over personnel for saving the rules of business. Paternalistic design mentions helpful job among staff and plays like a dad in

a huge household. Yet another type of leadership is actually democratic that refers indications sharing ideas about business policies. Laissez reasonable design refers to decision making and power that transfer to staff, entirely. Transactional discusses about outside motivations, for example, rewards and punishments provided to staff. Last but not least, transformational design shows personnel requirements in various kinds. According to previous scientific studies, there's no only one accurate style quite the specialist supervisor ought to identify the very best color between other kinds in a specific circumstance at public educational business. For that reason, by utilizing enough leadership styles, supervisors are able to change on staff job satisfaction, efficiency as well as commitment. Additionally, Managers must be exerted appropriate types based on situation. Additionally, implementing these types have to experience an educational policy supported by a federal government and public educational business to be able to attain a high amount of performance and expertise among staff. This particular best policy performs through instruction as well as proper preparation. Leadership style is a number of managerial propensities, actions & abilities based on organizational values and person, leadership pursuits as well as reliability of personnel in positions that are different. The continued hunt for great administrators has led to the improvement of countless leadership

theories. Based on behavioral strategy all styles and colors of leadership have immediate relation with organizational behavior and staff reactions at workplace. In truth, these reactions are actually completely different between gender roles of males plus females which effect leadership like attributes.

Leadership is actually the task in which leader influences subordinate's behavior to achieve organizational objectives. Study has discovered that leadership has positive and strong impact on job satisfaction. Connection between leadership types as well as job satisfaction exists though it is able to differ from individual to person, types of dimensions and leadership of job satisfaction. An improved role of leadership is able to allow subordinates to be powerful and increase the job satisfaction of theirs. This way, members can do much better and could add in the quality as well as performance of the business. Businesses which have the potential of leadership and would like the workers of theirs to feel job satisfaction should take effort and increase the capabilities of theirs to improve the performance of theirs By following the real leadership style, leaders are able to impact employee's job satisfaction, dedication and efficiency. It was discovered that workers are feel higher amount of satisfaction when they're provided development, increase in pay or even provided with a chance for skill growth. They're affected by leadership and believe that

their managers demonstrate a definite vision as well as revolutionary ideas to function effectively. Leadership is actually considered a crucial predictor of job satisfaction. It transforms employees' needs, goals as well as passions by encouraging them to work for organizational goals instead of concentrating on the private goals of theirs. Organizational culture additionally impacts job satisfaction of workers. Study showed that subordinates operating within collectivist countries derive job satisfaction from a leader whose directive and encouraging whereas subordinates working in cultures that are individualistic are actually pleased with the careers of theirs when they're provided possibilities and independence by the leaders of theirs. Leadership frameworks could obviously clarify the connection in between leadership types as well as job satisfaction.

Transformational executives make use of their private options to deliver a new management approach to the organizations of theirs and improve the performance of the business by this particular manner. The transformations taking place on organization's character cause positive changes on staff members and supply increased job satisfaction levels. Since transformational executives support the subordinates of theirs in the specific choices of theirs, produce these strategies the chance for these people to have brand new ideas as well as appreciate these suggestions, possess the

capability to totally affect them and develop a conditioned gratifying program (rewarding when performance elevates, punishing when it decreases), workers believe the requirements of theirs for security as well as love are actually met and the job satisfaction of theirs increases as a result.

2. REVIEW OF LITERATURE

Viduni Udovita (2020) -Leadership is absolutely "the art form of influencing individuals to ensure that they are going to strive willingly towards the achievement of goals" (Igbaekemen, 2014). Leadership plays an important role in building an eager atmosphere as well as lifestyle for an organization (Al-Anazi and Alghazo Leaders, 2016). Managers, and Al-Anazi play a crucial role in obtaining efficiency of organizations, as they're the leader of setting guidance and executing, on behalf of all the staff to achieve organizational goals. This paper theoretically explores the effect of managers' leadership styles on subordinates' performance. It has followed extensive literature review as the key investigation application and also the paper is actually framed as a concept newspaper with the talk on empirical insights. Lastly, it concludes the paper with a bit of research directions as well as goals for the future studies.

Shaikha Alshehhi (2019) -The analysis is designed at providing findings of empirical

assuming the leadership which may be converted influences link between the performance of staff members as well as their satisfaction job. These empirical findings can be found on the foundation of twenty four PS samples within UAE.. It'd focused the ministry of justice of the 4 emirates, the judicial departments of the 3 emirates, the ministry of health of the 7 emirates, as well as the ministry of community development of all of the emirates also the division of The endowments and islamic affairs of most of the 7 emirates of the UAE. The selected sample was deemed representative sufficient in that the researcher (I) distributed 565 questionnaires for the UAE public workers (ii) 113 questionnaires for the supervisors as well as (iii) the procedures was based on ratio of one director to five personnel as proper investigation methods. The consequent survey evaluated the link of all of the variables of the unit proposed, including SEM and CFA by AMOS. Multivariate analysed outcomes show: (1) Transformational leadership affect job satisfactions significantly and positively at substantial amount of ($\beta = 0.33$, $t = 6.35$, $p < 0.001$). (2) TL positively influences the performance of employees ($\beta = 0.39$, $t = 8.13$, $p < 0.001$) (3) Satisfaction of job positively impacts the performance of employees ($\beta = 0.47$, $t = 10.68$, $p < 0.001$). (4) TL positively influences job satisfaction, affecting employees' performances at significant level of ($\beta = 0.18$, $t = 6.92$, $p < 0.001$)

Hina Saleem (2015) -The current study is designed to take a look at the effect of leadership types on job satisfaction as well as to find out if perceived organizational politics has a mediating function or perhaps not. In this particular study descriptive analysis design was utilized and a quantitative investigation was done. The sample of this particular study was selected via non probability corner sampling. Study finding discovered that transformational leadership has a good effect on transactional leadership as well as job satisfaction has a negative influence on job satisfaction. Findings also suggest that, perceived organizational politics partly mediate the connection between both leadership types as well as job satisfaction.

Ambar Khalid, et al (2015) -The present study examined the connection between leadership types (structural, human resource, symbolic and political) as well as followers' job satisfaction. The study suggested that job satisfaction is actually affected by these styles and they are able to add to individuals' contentment with the project. A sample of 160 respondents was selected and information was gathered by utilizing questionnaire having thirty two things. Reliability as well as correlation analysis was utilized to examine the consistency as well as significance of outcomes. Several linear regression showed that leadership types are actually creating a difference in job satisfaction by forty five %.

Structural leadership was clearly associated with job satisfaction compared to some other frames. It was recommended that leaders' must present various leadership styles in different situations as well as deal followers' separately to boost organizational effectiveness

Aida Mehrad and Bahareh Fallah (2014) -

Satisfaction is actually a most crucial element among staff at public educational organizations. Job satisfaction is situated as an internal idea perception that's produced by different components at work atmosphere. Because of the job of different things on job satisfaction, educational organizations must be mindful of appropriate leadership types. Simply because lack of interest to this organizational behavior lead to a number of abnormal reactions between staff. This particular paper provides a literature review to determine the vital role of leadership types on job satisfaction among staff at public educational organizations. Sizable interest must be focused on the accurate leadership like at a company. In the exact same way, certain leadership types as outside variables have a crucial role on job satisfaction at public educational business because these colors are able to better the commitment of staff toward organizations. This particular initiative is all about improving satisfaction among staff and searching for a good layout that is among the key areas of academic business improvement.

3. OBJECTIVES OF THE STUDY

1. To discuss the concept of leadership style and job satisfaction of the employees
2. To analyse the relationship between leadership style and job satisfaction

4. RESEARCH METHODOLOGY

This exploration study is led to think about the relationship of leadership styles with the job satisfaction of employees and the leadership style that is generally basic by and by in the banking sector.

4.1 Sample size

Altogether, 230 members from various branches of five private banks gave information to this exploration study. Branch supervisors were prohibited to fill in questionnaires since they were expected as leaders and information was gathered from their individual branch staff. Information was gathered around 24 branch administrators.

4.2 Sampling technique

Convenience sampling technique was used to in this study to distribute the questionnaire.

4.3 Data Collection

Primary data – The data have been collected through questionnaire and interview method.

Secondary data – The data have been collected through the magazines, internet, journals, research papers, books, website, thesis etc.

4.5 Tools used for data collection

Questionnaire was utilized to gather information on leadership styles, employees' job satisfaction and about demographic attributes of employees. A five-point likert scale going from unequivocally differs to firmly concur was utilized to arrange information on various components of

leadership styles and employees' job satisfaction. In this examination study Multifactor Leadership Questionnaire (MLQ) was utilized to gauge leadership styles and the instrument was received from Avolio (1990). Minnesota Satisfaction Questionnaire was utilized to gauge the level of job satisfaction among employees and instrument was taken from the exploration investigation of Sakiru et al. (2013). The questionnaire in the wake of limiting was tried to check its reliability and results are appeared in table 1.

Table 1: Scale reliability

Scale	Cronbach's alpha	No. of items
Transformational leadership	0.720	12
Transactional leadership	0.931	8
Job satisfaction	0.975	10
overall	0.897	30

The outcomes indicated all the values were above 0.7 with generally scale reliability estimation of .895 which shows the instrument is dependable.

4.6 Hypothesis

In view of above examination addresses following hypothesis are created for this exploration study.

H1: *There is a significant relationship between the job satisfaction and the Transactional leadership style of the employee*

H2: *There is a significant relationship between the job satisfaction and the Transformational leadership style of the employee*

H3: *Transactional leadership style is more adopted by leaders when contrasted with Transformational leadership style as seen by the employees*

5. DATA ANALYSIS AND INTERPRETATION

Table 2: Demographic profile of the respondents

Socio-economic factors		%
Gender	Male	80%
	Female	20%
Marital status	Married	91%
	Unmarried	9%
Age	18-24	14%
	25-34	15%
	35-44	15%
	Above 45 years	56%
	Over 55	
Educational level	12 th	10%
	Graduation	54%
	PG	36%
Work experience	Less than 20 years	38%
	20 years	52%
	More than 20 years	10%
Branch managers	Male	88%
	Female	12%

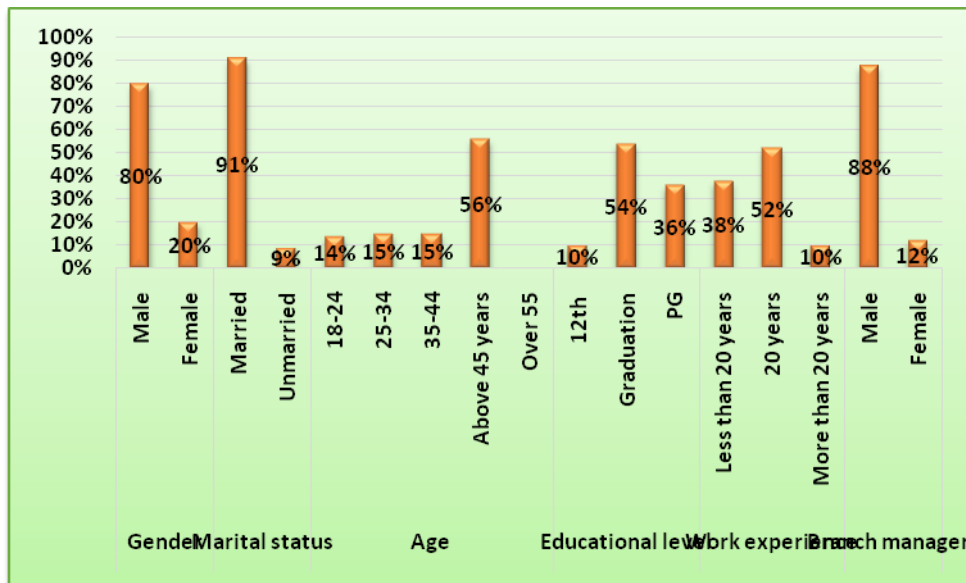


Figure 1: Demographic profile of the respondents

First part of the questionnaire contains data about demographic attributes of employees who gave information and this shows that out of 230 employees 80% were male and 91% were married. Over half of employees (56%) had age over 45 years while 54% had graduate

degrees. Regarding working experience 52% employees had over 20 years of involvement. Out of 24 branch managers about whom information was gathered, 88% were males and simply 12% were females.

Table 3: Correlation between Job satisfaction, Transactional leadership and Transformational style of the leadership

		Transactional style of the leadership	Job satisfaction	Transformational style of the leadership
Transactional style of the leadership	Pearson Correlation	1	0.956**	0.141
	Sig. (2-tailed)		0.000	0.476
	N	230	230	230
Job satisfaction	Pearson Correlation	0.956**	1	0.186
	Sig. (2-tailed)	0.000		0.339

	N	230	230	230
Transformational style of the leadership	Pearson Correlation	0.141	0.186	1
	Sig. (2-tailed)	0.476	0.339	
	N	230	230	230

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

The correlation esteem between transactional leadership and job satisfaction is 0.956 that shows a huge relationship as appeared in table 3. This uncovers that there is a solid positive correlation between transactional leadership and employees' job satisfaction. Notwithstanding, the correlation esteem between transformational leadership and job

satisfaction is 0.186 that shows an inconsequential relationship. Despite the fact that this worth is additionally certain yet it shows a weak positive correlation between transformational leadership and employees' job satisfaction. Henceforth the H1 is accepted and the H2 is rejected.

Table 4: Descriptive statistics

	Mean	Std. Deviation	N
Transactional style of the leadership	4.1142	0.28624	230
Job Satisfaction	3.7455	0.33177	230
Transformational style of the leadership	3.2145	0.36302	230

Enlightening insights as appeared in table 4 demonstrates that the mean Value of transactional leadership (4.1142) is more prominent than the mean estimation of transformational leadership (3.2145) which shows transactional leadership style is more embraced by leaders when contrasted with transformational leadership style. Thus, the H₃ have been accepted.

6. CONCLUSION

A transactional leader relies intensely on authority and power to direct the members of his, as well as the usage of a reward as well as penalty? product is an important role in a leadership style. As per different investigations, transactional leadership isn't extremely effective and certainly will de motivate employees. The followers of transactional leaders may show an inclination

just to attain little expectations that could enable them to stay away from penalties. On the other hand, Inspirational inspiration of transformational leadership is actually the articulation as well as representation of a perception by the leader; consequently, followers are actually motivated. Because of the leaders' good characteristics, followers create a psychological attachment to the leader. With this type, trust as well as confidence will probably be integrated followers. Idealized Influence (behavior) creates a collective sense of values as well as mission. Inspirational inspiration as well as idealized impact tend to be conceptualized as charismatic leadership dimensions in exploration that is lots of on transformational leadership.

This study shows that the transactional leadership style is more embraced by branch supervisors in the private banking sector of India and this is the principle leadership style that can build the employees' job satisfaction essentially because of solid positive correlation with their job satisfaction. These outcomes are significant for the higher administration of the private banking sector and they should prepare their branch directors to receive transactional leadership style to upgrade employees' job satisfaction. Yet, the consequences of this examination study can't be summed up to the entire banking sector of India because of predetermined number of

chosen private banks with restricted sample size of 230. In future, we have to incorporate more banks (private and public) just as locale from different territories of India to additionally reinforce the aftereffects of this exploration and to sum up the outcomes to the entire banking sector of India.

REFERENCES

1. Udovita, Viduni. (2020). Conceptual Review on Impact of Leadership Style on Employee Performance. 9. 16-23. 10.35629/8028-0909011623.
2. Shaikha Alshehhi (2019) – “Effect of Transformational Leadership on Employees” Performances Through Job Satisfaction Within Public Sectors in Uae”, International Journal of Innovative Technology and Exploring Engineering (IJITEE) ISSN: 2278-3075, Volume-8 Issue-8S2, June 2019
3. Hina Saleem (2015) – “The impact of leadership styles on job satisfaction and mediating role of perceived organizational politics”, Procedia - Social and Behavioral Sciences 172 (2015) 563 – 569
4. Ambar Khalid, et al (2015) – “Impact of Leadership Styles on Followers’ Job Satisfaction: A Four Frame Model Approach”, International Journal of Business and Management Invention ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X www.ijbmi.org ||

Volume 4 Issue 1 || January. 2015 ||
PP.77-84

5. Aida Mehrad and Bahareh Fallah (2014) – “The role of leadership styles on staff’s job satisfaction in public organizations”, Vol. 24 No. 5 Septiembre-October 2014
6. Kimura, T. (2012). Transformational leadership and job satisfaction: The mediating effects of perceptions of politics and market orientation in the Japanese context. *Int. Journal of Business Science and Applied Management*, 7 (1), 30-42.
7. Furkan, B., Kara, E., Tascan, E., & Avsalli, H. (2010). The Effects of Leadership On Job Satisfaction (Visionary Leadership, Transformational leadership, Transactional leadership). 3rd International Symposium on Sustainable Development, (pp. 220-226).
8. Top, M., Akdere, M., & Tarcan, M. (2015). Examining transformational leadership, job satisfaction, organizational commitment and organizational trust in Turkish hospitals: public servants versus private sector employees. *The International Journal of Human Resource Management*, 26(9), 1259-1282.
9. Saleem, H. (2015). The impact of leadership styles on job satisfaction and mediating role of perceived organizational politics. *Procedia-Social and Behavioral Sciences*, 172, 563-569.
10. Ahmad, A. R., Adi, M. N. M., Noor, H. M., Rahman, A. G. A., & Yushuang, T. (2013). The influence of leadership style on job satisfaction among nurses. *Asian Social Science*, 9(9), 172-178.