



# Impact of the relationship between transformational and traditional leadership styles on Iran's automobile industry job satisfaction

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## Abstract

**Purpose** – This study aims to look into the ways in which leadership styles including transformational and traditional (independent variable) affect employee job satisfaction (dependent variable), focusing on six production lines in the Iranian automobile industry.

**Design/methodology/approach** – The study focused solely on the production line workers and used questionnaires to obtain the relevant data. Implementation of the questionnaires was done using the proportional stratified random sampling method, whereby questionnaires were distributed to the target population over the period June to August 2010. Of the 600 questionnaires distributed 540 were returned completed.

**Findings** – The survey results showed the dominant leadership style practiced in the industry to be the transformational styles. The employees reported moderate satisfaction with their jobs. The findings revealed that different employee job satisfaction components were impacted in different ways depending on the leadership style.

**Originality/value** – Overall it was shown that job satisfaction factors were strongly predicted by the Individualized consideration factor.

**Keywords** Transformational leadership, Traditional leadership styles, Job satisfaction, Iran automobile industry, Iran, Leadership

**Paper type** Research paper

## 1. Introduction

Organizational effectiveness is influenced mainly by leadership and employee job satisfaction (Kennerly, 1989). Further, leadership is also considered to be the most important factor in determining employee job satisfaction, as it has a great impact on employee motivation and dedication.

This relationship between leadership style and job satisfaction has been the subject of study in varied fields and settings but has been somewhat neglected in the industrial environment.

This study thus covers new ground as unlike the earlier studies which were primarily focused on western establishments it will focus on the Iranian automobile industry. It will be based on the effects of leadership styles on the full-time workers in the production lines in this industry, based on methodology adapted from Bass and Avolio's (1997) Leadership Model on employee job satisfaction, which is in turn based on the Maslow (2000) Job Satisfaction Survey Model.



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### 1.1 Theoretical perspective and review of literature

*Leadership.* While historians and philosophers have long been debating on the issue of leadership it was only in the early 1900s that it evoked scientific interest. The body of knowledge in this area has grown rapidly since then. Currently there are over 350 definitions for the term and hence it would be difficult to sum up leadership within one simple definition (Bennis and Nanus, 1985).

Generally leadership can be defined as the interrelationship between leaders and followers and the manner in which leaders influence their followers to work towards achieving set goals (Bennis and Nanus, 1985; Burns, 1978). The influence in this instance refers to the dynamic and interactive nature of relationships where both leaders and followers influence each other.

Leadership and management are not the same. The focus of managers is generally short term in nature, in solving immediate problems within the organization, while leaders on the other hand view matters in a more comprehensive way (Bennis and Nanus, 1985; Burns, 1978).

Early studies on leadership were more focused on the leaders themselves, in terms of the traits and character attributes of a successful leader (e.g. Likert, 1967), whereas more recent studies encompass the multidimensional nature of leadership which also involves the role of followers.

*Transformational leadership.* The nature of transformational leaders is such that they are more involved with their subordinates and colleagues as compared to transactional leaders (Avolio *et al.*, 1991). The charismatic, multidimensional transformational leaders inspire trust and respect from their followers and instill in them a sense of pride and purpose and a vision to follow, as opposed to the exchange and agreement approach of other leaders (Bass, 1990). Their behaviour includes the following:

- Idealized influence (attributed/behaviour): these leaders earn the trust and respect of their followers; they embody high-moral standards which their followers strive to follow. Such influence can be derived from the followers and/or be a consequence of the leader's own behaviour.
- Inspirational motivation: these leaders constantly encourage their followers to do well and to work towards achieving the organization's goals. According to Bass and Avolio (1994) leaders who use this tactic are able to convey their ideas in a clear and simple manner and motivate their subordinates to do well.
- Intellectual stimulation: the followers are encouraged to better understand any problems arising and to also be able to relate better to their own beliefs and standards.
- Individualized consideration: the followers are recognized as individuals and all treated fairly. The leaders note their individual followers' needs and assign tasks appropriately, providing them with opportunities to develop themselves.

Further, transactional leaders are visionaries and change agents who motivate others and can also handle complex, ambiguous and uncertain situations (Tichy and Devanna, 1996).

*Traditional leadership.* The findings of the Ohio State University researchers culminated in leadership behaviour being categorized into two dimensions, namely, initiating structure and consideration, with reference to the leadership behaviour of individuals in interactions with groups to achieve a goal.

New studies find that leaders who were high on consideration and low on initiating structure (IS) or low on consideration and high on IS could be highly effective depending on situational element (Daft and Marcic, 2006; Larson *et al.*, 1976; Nystrom, 1978).

As previously mentioned two sets of behaviour that influence leader effectiveness were identified in the Ohio State University studies:

IS: IS also known as performance or task dimension, can be possessed by individuals who actively direct a work group's activities, emphasize meeting deadlines, set definite standards of performance, criticize poor performance, encourage uniform procedures.

Consideration (C): the aspect of Consideration (C), as related to the leader's relationship with his/her subordinates can be accessed through the following: mutual trust, respect for their ideas, consideration of their feelings, friendship, good rapport and two-way communication (Stogdill and Coons, 1957).

*Job satisfaction.* Job satisfaction arises from positive feelings about a job or certain aspects of a job (Locke, 1976; Smith *et al.*, 1969). The varied aspects which influence job satisfaction include work environment, tasks assigned, supervisory traits, policy and administration, potential for development, remuneration, interpersonal relationships, recognition and empowerment (Castillo and Cano, 2004).

Quick (1998) states that while each individual has differing goals, each can be motivated if they can trust that their efforts and performances are positively correlated; good performance will be adequately rewarded; the reward offered will satisfy important needs; and the level of their aspirations for need satisfaction motivate them to put in the required efforts.

Motivation to work, according to Vroom (1964) is a product of the correlation between expectancy, instrumentality and valence.

Expectancy refers to the individual's conviction in hard work resulting in satisfactory job performance levels; instrumentality is the individual's conviction of good performance being rewarded; and valence is how much the individual values the reward.

*Relationship between leadership and employee job satisfaction.* When leader-employee relationships are not good this will have a negative effect on productivity, absenteeism as well as organizational turnover levels (Keashly *et al.*, 1994; Ribelin, 2003).

Robbins (2003) states transformational leaders have a better track record of retaining employees as compared to transactional leaders. The former is also positively related to working towards work condition improvements, needs satisfaction and performance improvements among employees (Liu *et al.*, 2003).

Hessari (1997) investigated the relationship between perceived managers' leadership styles and employees' job satisfaction levels in the Iranian auto industry. The most meaningful significance was shown for consideration leadership behaviour as a predictor of satisfaction with supervision. Further, consideration and IS were also shown to be significant predictors of satisfaction with job in general. The result of the correlation matrices showed a positive significant correlation between consideration and IS and with satisfaction with supervision (Hessari, 1997).

*Objective and scope of the study.* The aim of this study is to track the relationship between leadership style and employee job satisfaction within the Iranian automotive industry.

In this study the researcher focuses on the effects of the seven leadership style sub-variables mentioned earlier on employee job satisfaction, with appropriate reference to theoretical literature and empirical studies on leadership styles and employee job satisfaction.

The general research objectives include: to study the relationship between supervisor's transformational and traditional leaderships style and job satisfaction in automobile industry of Iran.

The findings in this study will be limited to employee perception of leadership styles and how it influences the level of their job satisfaction. These findings cannot be considered to be applicable to all situations as job satisfaction levels may also be subject to other influences and also due to the specific time frame involved (June-August, 2010) in conducting the study.

Further, the target population in this study is also limited to full time production line workers and thus the findings may not be applicable to other types of employees such as office boys, janitors, security guards, independent contractors and part-time employees.

## 2. Conceptual framework

The conceptual framework for this research is an adaptation of the Bass and Avolio (1990) and Maslow (2000) models, with some modifications.

Figure 1 displays the effects of leadership styles on employee job satisfaction, based on the two leadership styles which is the focus in this study, i.e. the transformational and traditional leadership styles.

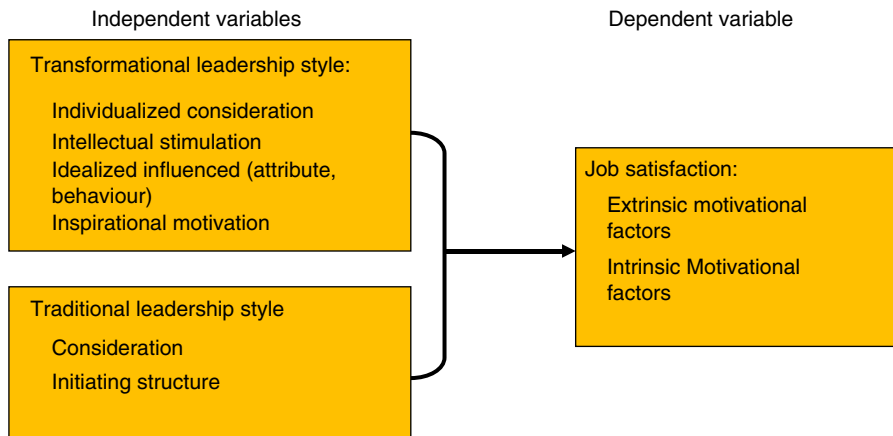
Identification of leadership characteristics encompassed the following; five sub-variables for transformational leadership, i.e. idealized influence attributed and behaviour, inspirational motivation, individualized consideration and intellectual stimulation; two sub-variables for traditional leadership, i.e. IS and consideration.

In this study the leadership style (independent variable) is measured using the Multifactor Leadership Questionnaire (MLQ) and employee job satisfaction (dependent variable) is measured using the Job Satisfaction Survey instrument.

The seven independent variables considered in this study include idealized influence (attributed/behaviour), inspirational motivation, intellectual stimulation and individualized consideration, IS and consideration.

### 2.1 Research questions and hypotheses

This study examined the link between the perceived leadership behaviour of managers and the resulting employee satisfaction levels in the automobile industry in Iran.



**Figure 1.**  
Conceptual framework

The aim of the study was to determine the best leadership style (transformational and traditional) able to promote maximum satisfaction levels among the employees. Thus the research questions and hypotheses for this study are:

*RQ1.* What is the relationship between supervisors' transformational leadership style as perceived by subordinates and their level of intrinsic, extrinsic and overall job satisfaction in the automobile industry of Iran?

*H1.* There is a significant positive relationship between supervisors' transformational leadership style as perceived by subordinates and their level of job satisfaction in the automobile industry of Iran.

*RQ2.* What is the relationship between supervisors' traditional leadership style as perceived by subordinates and their level of intrinsic, extrinsic and overall job satisfaction in the automobile industry of Iran?

*H2.* A significant negative relationship exists between supervisors' traditional leadership style as perceived by subordinates and their level of job satisfaction in the automobile industry of Iran.

### **3. Sources of data**

The descriptive research method applied in this study is applicable to answer the questions "who, what, when, where, and how".

Collection of data was through use of the survey instrument which also allowed the researcher to understand and predict some behavioural aspects of the target population.

The total 97 items covered by the questionnaire were divided into three sections which encompassed the aspects of leadership style, job satisfaction and demographics.

The MLQ developed by Avolio and Bass (1991) was used in assessing leadership styles, with some modifications which included a seven component scale. The Job Satisfaction Scale (JSS) was used in assessing job satisfaction which was modified to incorporate a ten-component scale which facilitated coding and data interpretation.

Sampling method was via simple random sampling, quota sampling and convenience sampling over the period June-August, 2010. A pilot study was done using the original questionnaire which was implemented on 60 respondents. The final modified questionnaire was distributed to the targeted production line employees. From the original 600 questionnaires distributed 540 were returned with complete answers and 60 were invalidated, giving a 90 per cent valid response rate. Data analysis was carried out using the statistical package for Social Science (SPSS) version 18.

### **4. Results and analysis**

The target respondents were all males (100 per cent), of which the highest group was from the 30-39 age groups (51.1 per cent) and the least from the 50 and above age group (3.9 per cent). Most of the respondents were married (70 per cent) and over half had high school diplomas (63 per cent). In terms of work experience most had between 10-19 years of work experience (42 per cent).

The structural equation model (SEM) was used to test all the hypotheses.

#### 4.1 SEM analysis

This study employed the multivariate technique of SEM analyses as main test to check the validity of the study measurement and examine the relationship between the independent variables and job satisfaction as outcome variable. SEM analyses comprising of two main steps, namely the measurement model or confirmatory factor analysis (CFA) and the SEM. The measurement models identify the relations between manifest or observed and latent or unobserved variables. In other word, the measurement model (CFA model) defined how the latent or unobserved variables are measured in terms of the manifest variables (Ho, 2006). The SEM specifies the relationship between the variables. In other word, the structural model shows how independent or exogenous variables and dependent or endogenous variables are related (Hair *et al.*, 2006; Ho, 2006).

According to the single CFA models the level of model fit, normality and convergent validity of the measure scale was assessed. This study was including three latent constructs. The first latent variable is the transformational leadership (including five dimensions; idealized influence (attributed), idealized influence (behaviour), inspirational motivation, intellectual stimulation and individual consideration). The second construct is the traditional leadership style consists of two main dimensions of consideration and IS. The third construct is the job satisfaction (as dependent variable) which consist of two main dimensions of extrinsic motivators (including five sub-dimensions: interpersonal relations, policy and administration, salary, supervision and work conditions) and intrinsic motivators (including five sub-dimensions; achievement, growth, recognition, responsibility and the work itself).

In order to test the construct validity of each individual construct the first order CFA model was performed. The result of the assessed individual CFA for three aforementioned constructs are as follows.

*Transformational leadership CFA.* Transformational leadership CFA model were made up of 20 items to measure a five dimensions as above mentioned (four items for each dimension). The initial CFA model with all the 20 items did not fit the data based on goodness-of-fit indices. After modifying the model by eliminating four items with factor loading  $< 0.50$ , the CFA model including 16 remained items fit the data with  $\chi^2(94) = 374.628$ ,  $p = 0.000$ , relative  $\chi^2 = 3.985$ ; GFI = 0.922, CFI = 0.907, IFI = 0.908, RMSEA = 0.074. While based on the  $\chi^2$  the model did not fit the data but based on the GFI, CFI and IFI indices with values more than cutoff value of 0.9 the model fitted the data well. In addition the RMSEA was 0.074 which is lower than the recommended value  $< 0.08$ .

The result of assessed construct validity of the transformational leadership dimensions was satisfied, as shown in Table I; the standardized factor loading for all items were  $> 0.5$  (ranged from 0.52 to 0.89). Further, based on the AVE the all dimensions exceeded the cutoff point of 0.5, excluded idealized influence attributed and individual consideration (0.46 and 0.44, respectively). Also, the result showed that construct reliability (CR) among the remained items in each specific dimension are satisfied. The result showed that CR was  $> 0.7$  for all the dimensions that indicated a good level of internal consistency or convergence among the items. Therefore the selected measurement scale to assess the transformational leadership in this study area was reliable and valid. The result of assessed normality as main assumption in maximum likelihood (ML) estimation method showed that based on skewness and kurtosis all indicators are normally distributed and had skew and kurtosis  $< \pm 2$ . The skewnesses ranged from  $-0.745$  to  $0.304$  and the kurtoses ranged from  $-1.419$  to  $1.132$ .

**Table I.**  
The results of CFA for  
transformational  
leadership

Variables	Standardized factor loading	Average variance extracted (AVE)	Construct reliability (CR)
<i>Transformational leadership style</i>			
Idealized influence (attributed)		0.46	0.84
Item 1	0.58		
Item 2	0.70		
Item 3	0.72		
Item 4	0.62		
Idealized influence (behavior)		0.52	0.76
Item 1	0.68		
Item 2	0.72		
Item 3	0.75		
Inspirational motivation		0.54	0.78
Item 1	0.59		
Item 2	0.79		
Item 3	0.80		
Intellectual stimulation		0.50	0.74
Item 1	0.64		
Item 3	0.69		
Item 4	0.74		
Individual consideration		0.44	0.70
Item 1	0.52		
Item 2	0.85		
Item 3	0.55		

*Traditional leadership style CFA model*

Traditional leadership style construct made up of ten items to measure two dimensions including consideration and structure initiation (five items for each dimension). The primary CFA model did not fit the data based on goodness-of-fit indices. After modifying the model by eliminating two items with factor loading < 0.50, the CFA model including eight remained items fit the data with  $\chi^2(19) = 80.079$ ,  $p = 0.000$ , relative  $\chi^2 = 4.215$ ; GFI = 0.963, AGFI = 0.929, CFI = 0.968, IFI = 0.968, TLI = 0.953, RMSEA = 0.077. While based on the  $\chi^2$  the model did not fit the data but based on the GFI, AGFI, CFI and TLI indices with values more than cutoff value of 0.9 the model fitted the data well. Also, the RMSEA was 0.077 which showed that the proposed CFA model for traditional leadership style perfect fit with the data.

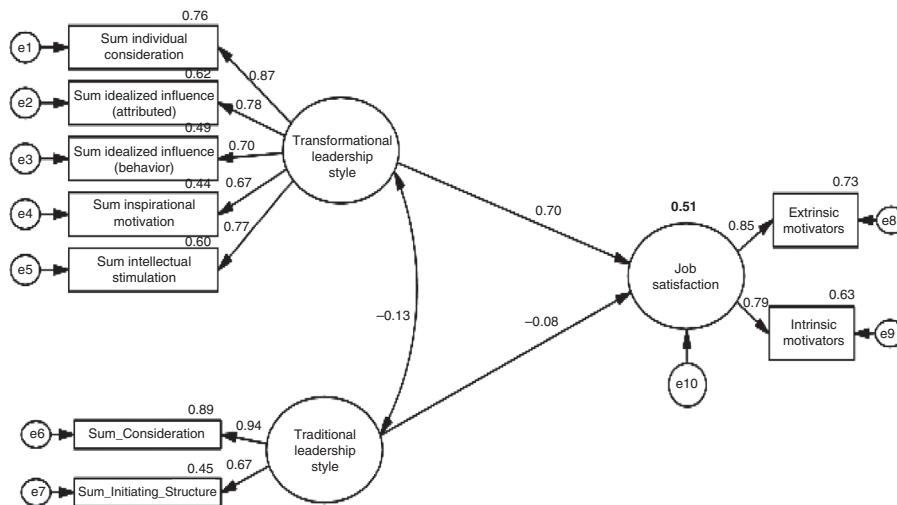
The result of CFA model for traditional leadership style showed that the construct validity was satisfied, as displayed in Table II all items had the standardized factor loading > 0.5 (ranged from 0.52 to 0.82). Also, based on the AVE both dimensions exceeded the cutoff point of 0.5 which showed that these items share a good proportion of variance of their underline dimensions. In addition, the result showed that the CR among the remaining items in both dimensions were > 0.70 that shows adequate internal consistency among the measured items. The result of assessed normality showed that based on skewness and kurtosis all items are normally distributed which had skew and kurtosis <  $\pm 2$ . The skewnesses ranged from -0.201 to 0.953 and the kurtoses ranged from -1.370 to 0.25.

Variables	Standardized factor loading	Average variance extracted (AVE)	Construct reliability (CR)
<i>Traditional leadership style</i>			
Consideration		0.51	0.80
Item 1	0.71		
Item 2	0.78		
Item 4	0.52		
Item 5	0.79		
Structure initiation		0.56	0.84
Item 1	0.82		
Item 2	0.76		
Item 3	0.74		
Item 4	0.69		

**Table II.**  
The results of CFA for traditional leadership style

### Job satisfaction CFA model

Job satisfaction construct made up of 67 items to measure two main dimensions of extrinsic and intrinsic motivators that each of them comprising of five sub-dimensions as displayed in Figure 2. The first CFA model did not fit the data according to the goodness-of-fit indices. After modified the model by dropped 20 items with factor loading  $< 0.50$ , the CFA model consist of 47 remained items fit the data with  $\chi^2(944) = 2,043.777$ ,  $p = 0.000$ , relative  $\chi^2 = 2.165$ ; GFI = 0.863, CFI = 0.904, IFI = 0.905, TLI = 0.895, RMSEA = 0.046. While based on the  $\chi^2$  the model did not fit the data but based on the CFI and IFI indices with values  $> 0.9$  indicated that the model fitted the data well. Also the relative  $\chi^2$ -value (2.165) which is  $< 5$  showed a good fit to the model. In addition, the RMSEA was 0.046 which showed that the proposed CFA model for job satisfaction perfect fit with the data.



**Figure 2.**  
The structural model for job satisfaction with standardized regression weights

**Notes:**  $\chi^2(df) = 83.901(24)$ ,  $p\text{-value} = 0.000$ , relative  $\chi^2 = 3.496$ ; AGFI = 0.934, GFI = 0.965, CFI = 0.972, IFI = 0.973, RMSEA = 0.068 (standardized estimates). Bold value signifies  $p\text{-value} < 0.05$



The result of CFA model for job satisfaction construct dimensions showed that the convergent validity was satisfied, as displayed in Table III all remained items had the standardized factor loading  $> 0.5$  (ranged from 0.50 to 0.88). Also, based on the AVE all ten dimensions exceeded the cutoff point of 0.5 which showed that these items share a good proportion of variance of their underline dimensions excluded growth dimension with AVE 0.43. In addition, the result showed that the CR among remained items in all dimensions were  $> 0.70$  that shows adequate internal consistency or convergence among the measured items.

The result showed that the data for the all items in CFA model for job satisfaction was normally distributed based on skewness and kurtosis. The all items are normally distributed with having skew and kurtosis  $< \pm 2$ . The skewnesses ranged between  $-1.268$  and  $0.793$  and the kurtoses ranged from  $-0.760$  to  $1.819$ .

#### *The SEM of job satisfaction*

The result of assessed structural model for job satisfaction latent construct showed that the model fit the data with  $\chi^2(24) = 83.901$ ,  $p = 0.000$ , relative  $\chi^2 = 3.496$ ; GFI = 0.965, CFI = 0.972, IFI = 0.973, TLI = 0.959, RMSEA = 0.068. Although based on the  $\chi^2$  the model did not fit the data but based on the CFI, AGFI, CFI, TLI and IFI indices with values  $> 0.9$  showed that the model fitted the data well. In addition, the RMSEA was 0.068 which showed that the proposed CFA model perfect fit with the data (see Figure 2). The result as displayed in the Figure 2 showed that the independent variables in this hypothesized structural model explain 51 per cent of variance of job satisfaction.

The result of testing the two hypotheses was as follows:

- H1.* There is a significant positive relationship that exists between supervisors' transformational leadership style as perceived by subordinates and their level of job satisfaction in automobile industry of Iran.

The result of structural model according to Table IV, showed that transformational leadership style latent construct had significant contribution towards the prediction of job satisfaction in automobile industry of Iran ( $\beta = 0.70$ , CR = 13.505,  $p = 0.000$ ). The result also showed that for every 1 standard deviation increase in transformational leadership the job satisfaction would be increased by 0.70 standard deviation. Further the result showed that transformational leadership style was indicated by individual consideration with the highest standardized coefficient 0.87, followed by idealized influence (attributed) with 0.79:

- H2.* There is a significant negative relationship that exists between supervisors' traditional leadership style as perceived by subordinates and their level of job satisfaction in automobile industry of Iran.

The structural model result showed that there is no significant relationship between supervisors' traditional leadership style as perceived by subordinates and their level of job satisfaction in automobile industry of Iran ( $\beta = -0.077$ , CR =  $-1.658$ ,  $p = 0.097$ ). Therefore, the *H2* was not supported by the research data.

## **5. Conclusion**

Based on the 20-year National Vision document of the Islamic Republic of Iran (2005-2025), Iran is expected to become a developed country capable of competing in the

Variables	Standardized factor loading	Average variance extracted (AVE)	Construct reliability (CR)
<i>Extrinsic motivators</i>			
Interpersonal relations		0.51	0.84
Item 1	0.67		
Item 3	0.79		
Item 5	0.67		
Item 6	0.72		
Item 7	0.72		
Policy and administration		0.56	0.88
Item 3	0.65		
Item 4	0.78		
Item 5	0.72		
Item 6	0.71		
Item 7	0.85		
Item 8	0.78		
Salary		0.50	0.80
Item 1	0.59		
Item 2	0.70		
Item 4	0.79		
Item 5	0.72		
Supervision		0.52	0.86
Item 1	0.78		
Item 2	0.83		
Item 3	0.69		
Item 4	0.69		
Item 9	0.55		
Item 10	0.71		
Work conditions		0.51	0.83
Item 1	0.72		
Item 2	0.61		
Item 4	0.58		
Item 6	0.88		
Item 7	0.72		
<i>Intrinsic motivators</i>			
Achievement		0.55	0.83
Item 1	0.78		
Item 2	0.73		
Item 4	0.80		
Item 5	0.65		
Growth		0.43	0.79
Item 1	0.50		
Item 2	0.60		
Item 3	0.82		
Item 4	0.58		
Item 5	0.75		
Recognition		0.55	0.83
Item 1	0.74		
Item 3	0.77		
Item 4	0.72		
Item 5	0.74		

**Table III.**  
The results of CFA for  
(continued) traditional leadership style

Table III.

Variables	Standardized factor loading	Average variance extracted (AVE)	Construct reliability (CR)
Responsibility		0.51	0.80
Item 2	0.65		
Item 3	0.65		
Item 4	0.76		
Item 5	0.78		
The work itself		0.58	0.80
Item 1	0.76		
Item 2	0.83		
Item 3	0.67		

Table IV.

Regression weights in the hypothesized path model for job satisfaction

Variable	Unstandardized regression estimate <i>B</i>	SE	Standardized estimate $\beta$	CR	<i>p</i> -value
Transformational leadership style	0.546	0.040	0.700	13.505	0.000
Traditional leadership style	−0.032	0.019	−0.077	−1.658	0.097

global market with other developed countries. In line with the above-mentioned argument, the government is expected to pave the way for the country to join the WTO. The Ministry of Commerce has to take steps to pave the way and develop appropriate programmes in the administrative system, including within governmental and non-governmental organizations. The governmental organizations of Iran critically need to arrange to provide and pave the grounds to attain the goal of having a motivated, satisfied, committed, productive and loyal workforce. In short improving the quality of management and employees in organizations is the aim of one of these programmes. So since 2005 some short-term and long-term planning has been designed and implemented to improve the managerial situation and employees of organizations (Maslehat, 2006). This will further influence the employees' job satisfactions through while mentioned above. Thus research focuses on job satisfaction and its influence with the leadership styles.

According to the results of data analyses, transformational leadership style is the predominate style in automobile industry of Iran. Also the results show that the subordinates' level of satisfaction is mid to over high level.

In other words, based on the results of the present research, there is a significant relationship between the transformational leadership dimensions and job satisfaction; therefore, applying the result of this research could improve and increase job satisfaction. Since this research shows there is a significant and positive relationship between the transformational dimension of leadership and job satisfaction, it could increase job satisfaction by improving this dimension and its sub-dimensions.

Hence, to succeed in today's fast-changing industrial environment, leaders in the automobile industry should adopt a transformational leadership style as opposed to the traditional leadership style. This can contribute to consistent and enhanced

positive employee job satisfaction levels and consequently higher quality employee performance.

The auto industry leaders need to urgently develop the right strategies and initiate proper implementation if they wish to derive higher job satisfaction levels among their subordinates.

Managers should plan and do any affairs to provide job satisfaction to solve any operational problems and increase productivity and improve quality, because nowadays, the competitive advantage of organizations depends on their human capitals.

It can thus be concluded that to improve subordinate job satisfaction in the automobile industry the leaders need to further emphasize on aspects which can be motivators such as employee recognition, good working conditions, communication and promotion.

By having knowledge and information about employee motivation managers can understand how they can involve employees in achieving process improvement. While in general management considers good pay to be the primary desire of their employees, the results of this survey show it rank in the middle among all factors considered. The perception of the factors that constitute employee motivators differs considerably between managers and employees.

Nekouyan (2004) also expressed the view that managers are generally lacking knowledge about leadership theories and principles which is borne out by the results of his investigations of governmental managers' level of understanding of the different leadership styles (Nekouyan, 2004) where their knowledge was shown to be 14.15 on a scale of 36 (low knowledge).

These findings indicate that better managerial understanding of participative management techniques could help in making them more aware of the impact of their managerial styles on their employees. Such knowledge would also be useful for managers in their choice of the best style of leadership as suited to the organizational culture of their companies as well as the employees' organizational maturity.

#### *Recommendations for further study*

Correlation research, which was used in this study, does not allow one to determine causation (Creswell, 2003; Simon, 2006) and so additional research is needed to determine the causes of the findings of this study.

Focus for future research on this subject could be as follow:

- (1) replication of this study in other factories under the Ministry of Industries in order to demonstrate the likelihood of obtaining same results regardless of the type of industry;
- (2) investigation of industries that are more female oriented in order to eliminate the gender factor as a limitation; and
- (3) replication of this study in private sector companies which are not managed by government appointed board member directors.

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