

The Influences of Transformational Leadership and Transactional Leadership on Job Satisfaction of Faculty Members in New Taipei City Cram Schools

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Abstract

Facing the dropping birth rate in Taiwan, the number of first-grade students is also falling. However, the number of cram school is rising oppositely. There is simply not enough to go around for cram school to survive in the industry. Internally, great leadership method is needed to bring the team to reach a wonderful achievement.

As the result of this research, the employees led under the transformational leadership or transactional leadership have large differences on both inner and outer job satisfaction.

Keywords: cram school, Transformational Leadership, Transactional Leadership, Job Satisfaction, Taiwan

Introduction

This research mainly discusses the influences of leadership styles in employees' job satisfaction in cram schools. The environment of business changes much faster recently than it was before. Leadership style is being considered an important part in determining the success of a company.

The huge different trends of cram schools and new-born baby show that the managerial environment of a company is difficult for cram schools in Taiwan as the number of potential customers is decreasing every year. In this situation, the ways leaders lead their subordinates are important to cram schools maintaining its business in the industry.

However, studies about the relationship between leadership styles and job satisfaction within lately fifteen years are mostly about business companies or elementary schools. There are too few studies had been done to discuss the situation in crams school. Under this circumstance, this study will focus on discussing cram schools in New Taipei City.

Literature Review

A. Transformational leadership

Transformational leadership appeared in the study from Burns [1] about political leadership. It was confirmed as a new leadership theory by Bass [2], Bennis & Naus [3], Sergiovanni [4], and Jantzi & Leithwood [5]. This leadership style was defined by Downtown in 1973 as a leadership which creates positive and valuable changes in the subordinates by enhancing

the subordinates' motivation, morale, and performance through different methods [6].

Transformational leadership is considered a relationship that a leader and his subordinates could encourage and educate each other. The leader should be the booster of moral and will educate his subordinates to be the next leader.

B. Transactional leadership

Transactional leadership (managerial leadership) emphasizes transaction between leaders and subordinates. It is considered as the consolidation of leader-member exchange theory and path-goal theory [2].

According to Bass, the transactional leader had two main factors. One is a leader can provide a contingent reward to subordinates. Subordinate understand clearly that achieving goals could receive the same level of reward. The other one is management by exception. In a positive way, the leader focuses on fixing the rules and standards which are no longer on track.

In a negative way, the leader might leave negative comments to subordinates' failure according to the agreement made previously.

C. Job Satisfaction

Job satisfaction was viewed by Smith, Kendall, and Huh as the level to which employees, achieve positive results related to the work through positive attitude and effective orientation [7].

Later Gruneberg [8] defined job satisfaction as the individual's psychological response and attitude toward some specific jobs. Spector [9] essentially considered that job satisfaction was the positive or negative feeling of the level of satisfaction for the job, which could also be considered as the level that an individual likes his job.

A more recent definition stated by Hulin and Judge of the concept of job satisfaction considered it as how a person perceives a job, and the extent to which one likes a job [10]. Maurya & Kaushik [11] considered job satisfaction as a content how an employee's behavior at his or her work when Susanty, Miradipta, & Jie [12] described it as "how much happy an individual is with his job".

Research Method

A. Research Framework

Hypothesis 1: Transformational leadership has significant

positive or negative effects on the inner job satisfaction

Hypothesis 2: Transformational leadership has significant positive or negative effects on the outer job satisfaction.

Hypothesis 3: Transactional leadership has significant positive or negative effects on the inner job satisfaction

Hypothesis 4: Transactional leadership has significant positive or negative effects on the outer job satisfaction.

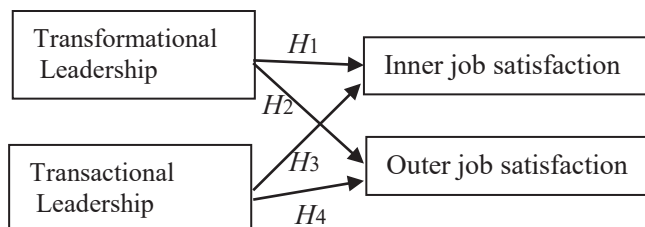


Fig. 1 Research Framework.

Figure 5 illustrates the procedure of the research. To explain the procedure, the steps can be categorized into eight main stages: select topic, focus question, review literature, design study, collect data, analyze data, interpret data, and conclusion.

B. Research Instrument

This research is questionnaire-oriented or questionnaire-based conducted in hoping to figure out the factors that have influenced the leadership styles and job satisfaction. The questionnaire for this study was designed with four parts including the background information. In avoidance of the bias due to the participants' tendency when they answer the questionnaire, the arrangement of the questionnaire was set for respectively examine each construct in the order of job satisfaction and leadership style. The instrument consists of 3 variables, 5 sub-dimensions, and 50 questions in total.

C. Research Target and Sampling

According to the Ministry of Education [13], there are 2,368 cram schools in New Taipei City. However, the data about the population of faculty members in cram schools have not been counted or recorded. Assume there are three full-time faculty members in each of the cram schools in New Taipei City, the total population of full-time faculty members in cram schools will be approximately 7,100. 30 samples were collected for the pilot test.

D. Pre-testing

To ensure the questionnaire is representative and appropriate. Thirty convenience and qualified samples are invited to precede the pre-test. Table 1 lists the average, standard deviation, tolerance, and recommended sample size. According to the largest recommended sample size (Inner job satisfaction), sample size $N = (z*s/E)^2$ is $n=157$. The expected recovery ratio of the questionnaire is 95%, so the final sample size is 170.

TABLE 1
 RESULT OF PRE-TEST

Dimension	Average	Standard deviation	Recommended sample size
Transformational leadership	3.48	0.14	30
Transactional leadership	3.49	0.29	129
Inner job satisfaction	3.62	0.32	157
Outer job satisfaction	3.30	0.30	138

Data Analysis

A. Regression Analysis

Regression analysis is used to discover whether transformational leadership and transactional leadership styles have an effect on inner and outer job satisfaction, whereas the leadership styles are independent variables, job satisfaction was used to precede the regression analysis.

The first analysis is between the independent variable (transformational leadership) and the dependent variable (inner job satisfaction). The coefficient of the independent variables is -0.236 and the p-value=0.01, which is hugely larger than 0.05. This may due to the transformational leadership has some negative effects on inner job satisfaction. Therefore, the next independent variable (transactional leadership) has its coefficient of 0.138 and p-value=0.02 on the dependent variable (inner job satisfaction). This can be explained as that although transactional leadership has a trifling positive effect on inner job satisfaction, the result is extremely insignificant. As a result, in order to raise employees' inner job satisfaction, transactional leadership is the last consideration.

While discovering the least suitable leadership style on inner job satisfaction, outer job satisfaction is also the main dimension of job satisfaction. With regression analysis as the independent variable is transformational leadership, and the dependent variable is outer job satisfaction, the coefficient is -0.066 and p-value=0.03. This reflects that transformational leadership may have negative effects on outer job satisfaction. With this result, another regression analysis also proceeded where transactional leadership as the independent variable and the outer job satisfaction as the dependent variable. The coefficient of this analysis is 0.438 and its p-value=0.027, which is less than 0.05. This shows that transactional leadership could influence one's outer job satisfaction greatly, and the result is significant. Thus, transactional leadership could be considered as an important factor on outer job satisfaction.

Conclusion

Increasing job satisfaction may positively influence a company business, which makes it an important topic while managing

company. The way a leader lead a team could obviously affect employees' job satisfaction. Thus, the way a leader lead, which called leadership style, is the basis of running a successful company. Cram school industry in Taiwan is facing a huge inner competition as there are less and fewer babies born every year. As a result, the leadership style of the leader in cram school could mainly affect fault members' job satisfaction and affect the cram school business. According to this research, the analyzed result is in the following.

Transformational leadership has a negative effect on both inner and outer job satisfaction. This reflects that employees lead by transformation leadership may lose their job satisfaction.

Transactional leadership has a slightly positive influence on inner job satisfaction and a great positive influence on outer job satisfaction. This shows that contingent rewards, leader-member exchanges or other factors may play an important role in rising employees' job satisfaction. This can, therefore, be seen that transactional leadership is more suitable for cram schools in Taiwan.

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