ASSESSING EFFECTIVENESS OF TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP IN JOB SATISFACTION IN ASIAN SMALL AND MEDIUM BUSINESSES

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Course

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# 1.0 Chapter One: Introduction

## *1.1 Introduction*

The object purpose of the current dissertation is to ascertain the extent to which transformational (TF) and transactional (TA) leadership influences job satisfaction among Asian SMEs operating in the financial, healthcare, and manufacturing industries. In particular, the study seeks to determine why TF and TA leadership theories are essential to job satisfaction among employees in the three industries; assess how TF and TA leadership styles can enhance job satisfaction among employees and determine how human resource managers (HRM) can employ appropriate leadership styles to enhance job satisfaction among the employees. The dissertation is distributed into five segments namely the introduction, literature appraisal, methods, outcomes/findings and discussion. The theoretical framework of the study is delineated in this chapter.

## *1.2 Background Information*

The background information includes current statistics concerning job satisfaction, rationale, underlying hypotheses and statistical analyses, problem statement and a brief background of SMEs in China and Asia in general.

## *1.3 Job Satisfaction Statistics*

According to recent research and statistics, most employees in Asia are unsatisfied with their current job (Statista, 2012; Yu and Lyons, 2012; AON, 2018). In particular, Chinese employees were among the least satisfied in the Asia-Pacific region (Yu and Lyons, 2012). Therefore, the availability of employment opportunities does not translate to higher satisfaction (the ability of the job to satisfy career expectations) (Yu and Lyons, 2012). Globally, employee satisfaction varies between 62 and 54 in the Asia Pacific and the Caribbean and North America, respectively. Therefore, close to half of the global workforce is either unsatisfied or marginally satisfied with their current jobs (Statista, 2012). On the contrary, AON reported a rebound in employee engagement levels from 63 to 65 per cent as illustrated in Figure 1 (AON, 2018). However, the percentage increase is statistically insignificant.

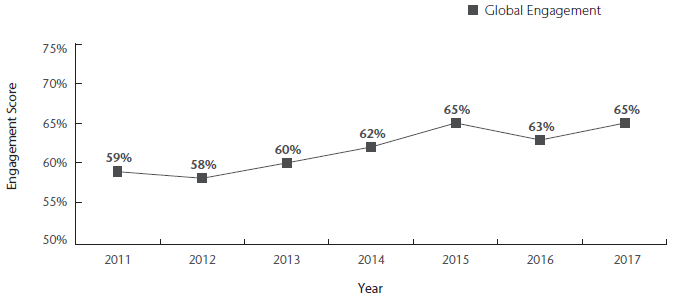


Figure 1 Global engagement levels between 2011 and 2017 (AON, 2018)

Even though the 2016 survey reported a rebound in the employee engagement levels, the two surveys raise pertinent concerns regarding the ability of modern corporations to address emerging issues (such as disruptive technologies) due to unsatisfactory levels of engagement; it is of note that human resources are the primary catalyst for change and sustainable growth (Breevaart *et al.*, 2014; Harsanto and Roelfsema, 2015). The lack of engagement (demotivation) at the workplace has led to the collapse of established firms. For example, the collapse of the Lehman Brothers and the Volkswagen emission scandal could be directly linked to management lapses (Elson, Ferrere and Goossen, 2015; Blackwelder *et al.*, 2016; Zhang, Veijalainen and Kotkov, 2016; Swedberg, 2009; Carlsson, 2015). In particular, the leadership approach of Mr Winterkorn (former CEO of VW) was directly implicated in the VW emission scandal. In brief, there is a direct link between diminished job satisfaction and corporate malpractices.

## *1.4 SMEs in Asia*

SMEs are catalysts for economic growth in Asia; at least 98 per cent of the enterprises in the continent can be classified as SMEs (ADBI Institute, 2016). In developed countries, SME contributes at least 55 per cent of the GDP and employ 65 per cent of the workforce (Zafar and Mustafa, 2017). Therefore, SMEs make a substantial contribution to the economy, which cannot be disregarded. A recent OECD report indicated that SMEs are the main drivers for inclusive global development (OECD, 2017). The SMEs operations are distributed in all aspects of the economy ranging from manufacturing, innovation to service provision. However, there is limited research concerning the effectiveness of different leadership approaches in mediating job satisfaction. In brief, the current focus on SMEs is justified.

On the downside, SMEs in certain countries are still impacted by the after-shocks of the global financial crisis and higher productivity gaps between their operations and those of large national and multinational firms (Liu, 2009) – a phenomenon that can be mitigated through business leadership. Additional constraints to the growth of SMEs include poor management practices, shortage of prerequisite skills, and limited employee training (OECD, 2017). Some of the listed challenges can be addressed through the adoption of better management practices including the adoption of TF or TA leadership.

## *1.5 Rationale and Justification*

The TA and TF leadership and job satisfaction are the variables of interest in this study owing to the following reasons. First, established research on the two leadership approaches is western based considering that such leadership methods are not in tandem with Asian cultures. Cultural forces have an unmediated effect on the personal-level understanding of leadership strategies (Jogulu and Ferkins, 2012). Second, there is no published research which addresses the effect of TF and TA leadership on employee satisfaction in Asian SMEs. Previous research has considered these themes exclusively. For example, the effect of TF leadership on job performance in Chinese SMEs has been reviewed in isolation by Manzoor *et al.* (2019). In 2014, another study reviewed TF leadership among Asian women working in the hospitality sector (Maier, 2014). Third, it has been proven that the managers' approach to leadership defines work engagement and the work environment (Breevaart *et al.*, 2014). Moreover, it has been confirmed that the leadership approach dictates the entrepreneurial orientation, innovation, growth prospects and the ability to outperform the competition, especially in emerging markets (Harsanto and Roelfsema, 2015). There is no comprehensive understanding of the cumulative effect of both theories on job satisfaction in manufacturing, financial services and healthcare industry. The outcomes of this research would provide a unified understanding of TF and TA leadership and its domino effect on business.

## *1.6 Objectives*

1. To identify why TF and TA leadership theories are essential to job satisfaction of employees in Asian SME industries; a) healthcare, b) manufacturing, c) financial services
2. To assess how TF and TA leadership styles can improve job satisfaction of employees in Asian SME industries; a) healthcare, b) manufacturing, c) financial services
3. To identify how Asian SME human resource managers can use appropriate leadership practice to improve job satisfaction of employees in SME industries; a) healthcare, b) manufacturing, c) financial services

## *1.7 Hypotheses*

Alternative hypothesis: TA and TF leadership strategies have a positive and unmediated effect (significant impact) on job satisfaction among employees working for SME companies.

Null hypothesis: Leadership strategies do not affect job satisfaction among employees working for SMEs.

## *1.8 Problem Statement*

Despite the centrality of job satisfaction to business success, most employees are unsatisfied. Recent global surveys illustrate that more than one-third of the employees are not content at the workplace (Statista, 2012). A 2018 survey reported that at least 35 per cent of the global workforce was unsatisfied (AON, 2018). Beyond the established decline in employee satisfaction, cultural perspectives and economic prosperity determine what constitutes job satisfaction. For example, the Asian construct of job satisfaction is different from the west (Han and Kakabadse, 2009). Therefore, the predictors of job satisfaction are culture-specific; this explains why the current research is confined to the Asian market. Previous research on the subject is predominantly based on western populations and companies. Moreover, mixed opinions have been advanced concerning the utility of leadership strategies (TF and TA) in business. Therefore, it was imperative to undertake an objective appraisal of the same using empirical data from SMEs in the financial service, healthcare, and manufacturing industries.

Presently, job satisfaction has an unmediated effect on organizational commitment, employee turnover, technology acceptance and adoption, competitiveness and work-life balance (Furnham, Eracleous and Chamorro‐Premuzic, 2009; Jones *et al.*, 2009; Shockley and Singla, 2011; Malik *et al.*, 2014; Block *et al.*, 2015; Holmberg, Caro and Sobis, 2017; Karthikeyan, 2017). Moreover, employee engagement is a direct predictor for absenteeism, wellness, consumer satisfaction and positive financial performance. Therefore, the lack of job satisfaction/engagement had an impact on the financial performance of the company and the global economy by extension.

## *1.9 Originality/Novelty*

From the researcher’s perspective, the current research would contribute new knowledge in the following aspects. One, this is the first study to review transaction and TF leadership approaches among Asian SMEs in the three sectors. Two, earlier studies were fixated on one leadership style in isolation (Maier, 2014; Manzoor *et al.*, 2019). Moreover, the combined review of the two leadership theories would help SMEs to address current management challenges.

## *1.10 Definition of Terms*

Transactional Leadership: Transactional leadership is a leadership approach defined by the management by exception (active-passive behaviours) and contingent reward (Asrar-ul-Haq and Kuchinke, 2016). Transformational Leadership: Transformational leadership is a leadership strategy defined by inspirational motivation, intellectual stimulation, and idealized influence (Asrar-ul-Haq and Kuchinke, 2016).

## *1.11 Limitations*

The scope is confined to TF and TA leadership among SMEs in Asia. Therefore, leadership models in non-Asian SMEs or Asian MNEs are beyond the context of this study. Moreover, only SMEs operating in the financial service, healthcare, and manufacturing industries were investigated. The specificity of the research limited the field of reference and also led to the exclusion of crucial information. Secondary limitations related to the absence of sufficient literature relevant to Asia because TF and TA are western-based leadership models. Therefore, western studies constituted the primary points of reference.

## *1.12 Conclusion*

The theoretical constructs presented in this chapter showed that job satisfaction is an antecedent to commitment, better HR performance, competitive advantage, and organizational performance. Despite the adoption of employee-centric measures at the organizational level, job satisfaction has either stagnated or marginally improved. Therefore, it is imperative to determine whether leadership strategies could help reverse current trends and reinforce job satisfaction. The historical underpinning of TA and TF and case studies of the same are considered in the next chapter.

# 2.0 Chapter Two: Literature Review

## *2.1 Introduction*

The literature review section builds upon the theoretical framework in chapter one using case studies of TF and TA in Asia, Europe, and North America. Moreover, the traditional management strategies implemented are reviewed to establish weak links which can be addressed through transformational and transactional leadership. Moreover, the literature appraisal seeks to establish the hierarchy of leadership strategies; do both leadership styles have a similar effect on employee satisfaction? Are they complementary? Such secondary questions formed the basis of this chapter.

## *2.2 Leadership in Business*

Corporate leadership is a predictor for business performance because leaders (managers and executives) redefine organizational processes, set performance targets, create new cultures and also propose a vision for the future (Astein, 2016). However, leadership success in the corporate sector is contingent on behavioral traits and management styles.

Leadership strategies in business are broadly grouped into TF, TA and Laizzes-Faire leadership as illustrated in Figure 2; each of the management strategies directly influences the subordinate self-perceived outcomes namely satisfaction, extra effort and effectiveness (Asrar-ul-Haq and Kuchinke, 2016). Even though TA and TF are classified as distinct theories in the literature, it is evident that they are complementary. For example, it is has been established that TF augments TA via contingent rewards, which in turn determine team-level and contextual performance (Gang Wang *et al.*, 2011). On the contrary, TF did not have such an effect on TA.

As briefly noted in the definition of terms section, managers who exhibit TF inspire employees through idealised influence, inspirational motivation, and special considerations. In brief, transformational leaders can influence employees through their actions. Such qualities help to explain why a majority of the S&P 500 companies (such as Amazon, Adobe, Microsoft, and Danone) are managed by transformational leaders (Anthony and Schwartz, 2017). In addition, transformation leaders share specific unique capabilities which are absent among other leaders. For example, TF leaders develop or come up with new areas of growth, undertake fundamental repositioning and enhance the financial status of the company.

A list of the top five TF leaders in the US published by the *Harvard Business Review* is presented in Table 1. According to the rankings, Jeff Bezos and Nick Hastings were the most prominent transformational leaders in corporate America. The placement of the two in the top position was justified given that the managers had maintained their company's position within the S&P 500 for at least ten years (Anthony and Schwartz, 2017). The positive performance was augmented by the development of new products such as Amazon Web Services (a cloud computing platform) and video streaming (Anthony and Schwartz, 2017). Moreover, the stock price CAGR of the two companies was higher than the benchmark CAGR (Anthony and Schwartz, 2017). Corporate executives of other companies such as Microsoft and Adobe were also listed in the top five categories.

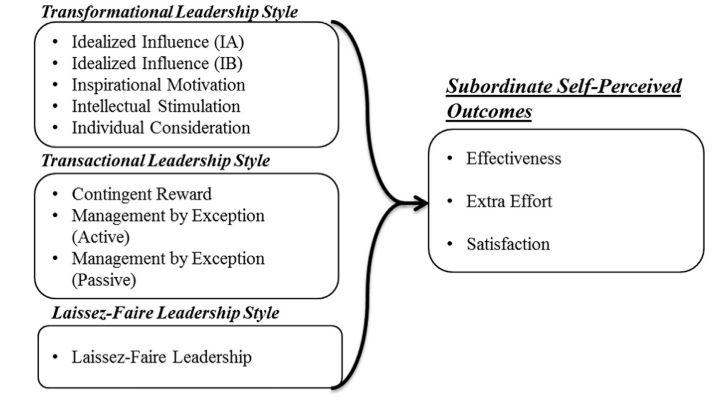


Figure 2 TF, TA and Laissez-Faire leadership style model (Asrar-ul-Haq and Kuchinke, 2016)

Table 1 Top-five Transformational managers

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of the manager | Company | Transformational product/service | Revenue growth (%) | **Stock price CGAR versus the benchmark** since the start of the transformation |
| Jeff Bezos | Amazon | AWS | 10 | 30; 5 |
| Reed Hastings | Netflix | Video streaming | 80 | 40 and 10 |
| Glen Fogel | Priceline | Business strategies | 25 | 34 and 10 |
| Tim Cook/Steve Jobs | Apple | iPhone, iMac, and iPod | 80 | 25 and 5 |
| Mark Bertolini | Aetna | Value healthcare | 40 | 25 and 12 |

Source: (Anthony and Schwartz, 2017)

In the context of Asia, the founder of Alibaba – Jack Ma satisfies the criteria for TF leadership as evidenced by his exemplary performance in the management of the company. Moreover, the manager shares other common characteristics with other TF leaders such as the lack of prior knowledge in the industry of interest and inspiration (Anthony and Schwartz, 2017). Even though CEOs of global multinationals seem to possess similar leadership styles, it is domineering to note that culture-specific factors and nationality influence such traits. For example, it has been reported that managers from the EU possess higher levels of humanistic traits compared to North American and Japanese managers (Astein, 2016). The regional level variations in leadership attributes can be attributed mainly to culture; it is imperative to note that Japanese culture places greater emphasis on collective group responsibility and welfare in place of individualism. Therefore, in the Japanese context, the welfare or interests of an individual are secondary to the interests of the group. The contrary is true in the American context; this partly explains why managers in the US are person-oriented and place secondary value on the interests of the general workforce. The national level and cultural factors can explain why job satisfaction and engagement have remained low in the US – only 34 per cent of the workforce was engaged in 2016 (Harter, 2018). In brief, the leadership paradigm entirely predicts corporate performance given that low job satisfaction translates to poor performance.

## *2.3 Leadership Challenges and Other Constraints*

Leadership in SMEs predicts innovativeness, employee engagement, competitive advantage, and marketing (Muenjohn and McMurray, 2017). Moreover, the leadership approach influences strategic planning capabilities, resource allocation, research and development, and manufacturing strategies. Similar to other organizations, SMEs in Asia are faced with multiple challenges including weak leadership. The challenges are even higher if the manager or executive is new to the organization. New managers often require up to three months to undertake strategic sense making (Dekrey, 2014). However, it is imperative to note that the challenges facing Asian SMEs are context specific.

National cultures, work ethics, and economic policies influence the management approach and leadership style in different Asian countries (Muenjohn and McMurray, 2017). For example, managers in Thailand have substantially different cultural backgrounds compared to the Chinese. According to Muenjohn and McMurray (2017), Thai managers exhibit less willingness to take risks and are less participative. Considering that a majority of the SMEs in Asia are managed by family members (Björnberg, Elstrodt and Pandit, 2014), it can be postulated that lack of managerial expertise is a key leadership challenge. The above hypothesis is also supported by data collated by McKinsey and Company in Figure 3. According to the bar graph, South East Asia has the highest share of family-owned businesses (Björnberg, Elstrodt and Pandit, 2014). The ownership structure predicts multiple issues including access to resources, annual sales and revenue because liquidity is a secondary consideration. The primary need for such businesses is to safeguard family values over the long term within the company. Despite the constraints, the health of the family SMEs is marginally better or comparable to that of non-family owned businesses.

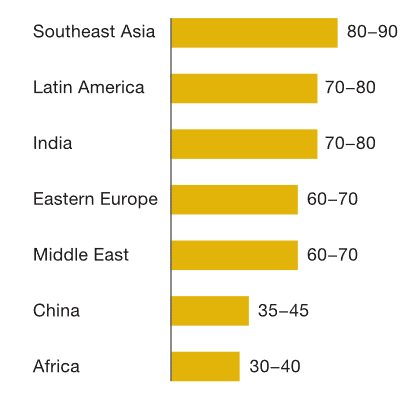


Figure 3 Percentage of family-owned businesses in South East Asia and other regions.

## *2.4 Research Framework*

The influence of a certain leadership style to the employees indicate the magnitude of the leader's effect on their employees. Organizations using leadership styles have tremendously evolved while dealing with marketing challenges while still maintaining competition. Understanding the key factors to job satisfaction is essential for a better business environment that concentrates on performance, productivity, and satisfaction of both leaders and employees (Monzani et al., 2015).

### *2.4.1 Job satisfaction*

Satisfaction is a personal perception that makes a person feel good about doing something. The feeling can be positive, negative or neutral. Such a perception is normally created within comfort boundaries, social environment, and a career path. In workplaces, the perceptual feeling is built around a comfortable working environment, social relationship, salary, job nature, and the career path. The implication of satisfaction can be positive when job satisfaction is positive to the worker (Ebrahimi et al., 2016). In most cases, it builds a subordinate employee with performance and commitment to the organization being tremendous. On the contrary, a negative implication of satisfaction can deteriorate the employees' mood, morale and lead to unproductiveness within an organization.

In this context, TA and TF leadership styles in Asian SMEs are amongst the contributors to job satisfaction. Area such as Banking, healthcare and the manufacturing industries have significantly developed Chinas and India's economic standards. Through the employed leadership strategies, performance and productivity of employees have rapidly improved to create a globally competitive market.

Various research sources describe job satisfaction in terms of differentiated concepts. King, described the perceptions of job satisfaction as any combinations of physiological, psychological and environmental circumstances that lead a person to agree their job satisfaction (2016) willingly. De Wall et al (2017) categorized job satisfaction as a clear, effective orientation of individuals towards work roles that they are presently occupying. Ebrahimi et al (2016) consider job satisfaction as a positive emotional state, which is as a result of an appraisal of one's experience. De Wall et al (2017) demonstrated job satisfaction as an individual's degree to needs, desires and expectations on how they are fulfilled by employment in a SMEs organization. The above theories reflect an employee's reaction to a working environment and the expectation of the organization to satisfy the employers wants and needs.

H4

H1

H3

H2

Figure 4: Conceptual research framework

### *2.4.2 Transformational leadership and Job satisfaction*

Literature studies indicate that an employee's job satisfaction depends on the leadership style applied to an organization. A participative management style in flexible organizations has created an interactive environment and satisfied workers. Asian SMEs have contributed to economic growth, innovation, and employment. A company's supportive, delegate and collaborative leader-follower relationship evolve an organization's performance. A transformation leader is known to promote and encourage cooperative problem solving and decisions making. Ascencio (2016) indicate that an organizations achievement on goals and objectives, is as a result of cooperation, encouragement of employees to grow and develop, offering emotional support and directions to work individually as a team. Asian SMEs such as Alibaba, have tremendously developed due to a transformational leader in Japan. This is because transformational leaders have developed the ability to support, communicate, appreciate and develop the employees promoting gain of trusting relationship. Transformational leadership has been strongly suggesting to correlate with an organizations performance, leading to an organizational promotion, innovation, and achievement (Ebrahimi et al., 2016). Transformational leadership association with financial institutions have indicated that a positive financial result making the followers achieve better results. Asian SMEs has progressively indicated development, due to change of leadership. A change in the China development bank to Zhije Zheng a transformational leader changed the perspective of the bank and made it lead its developing processes. A moderate correlation between transformational leadership and job satisfaction was a reflective feature of a leader who positively predicted unit performance and later organizational performance (Babalola, 2016). A transformational leader has been known to believe in empowering employees, enhancing their motivation and satisfaction levels (Ebrahimi et al., 2016).

H1: transformational leadership is positively associated with the employee's job satisfaction.

### *2.4.3 Transactional leadership style and job satisfaction*

The leadership style involves rewards and punishments. A transactional leader associates with workers who have achieved their desired objectives and goals by giving rewards. On the contrary, underperformance is punished through a cut in the salary increments and sometimes termination. Employees acquire rewards in the form of promotion and salary increment, building motivation for the employees to be productive. Since motivation is dependent on transactions between a leader and a follower, the impact affects performance and satisfaction in the business future (Monzani et al., 2015). Transactional leadership is illustrating by Pillai et al.,1999 to be an exchange process in which a leader provides rewards in return for the subordinate effort and performance.

Studies have argued that neither transformational nor transactional leadership style is capable of improving employee’s satisfaction and motivation levels. Ebrahimi et al (2016) illustrate that employee favors the contingent rewards aspect from the transactional leadership. Moreover, the employee seeks to prefer the inspiration and consideration aspects of transformational leadership. In consideration of both styles, case study resources have indicated that the styles have a positive effect on job and career satisfaction. Transactional style is effective in short term experiences when compared to long term influence. Making leaders who are considerate (transformational leadership) in their line of work tend to enhance employee performance in the short run (De Wall et al., 2017).

H2: There is a positive correlation between occupation satisfaction and transactional leadership style.

### *2.4.4 Transactional leadership and organizational commitment*

Transactional leaders have adopted a transactional process of interacting with their employees. Such leaders actively rate an employee according to the inflow value and productivity of an organization. Followers under these leaders are more pressured to be actively engaged than a collaboratively engaged in a task. Personal commitment in an organization depends on the working relationship, trustworthy with other employees and career objective. A case of an employee undergoing challenges without help from fellow workers indicates a poor work environment and the trust relationship between employees. Destroying commitment to work and cooperation with fellow employees.

H3: There is a negative implication relationship between transactional leadership and organizational commitment.

### *2.4.5 Transformational leadership and organizational commitment.*

A motivating and inspiring leader is highly appreciative of every follower. Through participative leadership, the transformational leader can inspire, motivate, excite the employees to achieve the set goals and objective. Followers find it a self-interest for them to achieve, improving trust communication and commitment. A follower becomes aware of their role in the business, and through actively engaging in their roles, the company productivity and performance increases (Ascencio, 2016). A belief in commitment is that it enables a person to be willing to outdo themselves in the performance and experience level, creating a curious phase that propels an organization to innovation.

H4: There is a positive relationship between transformational leadership and organizational commitment.

## *2.5 Market pertinent information*

### *2.5.1 Transformational leadership*

Leadership within Asian SMEs is evolving due to the emergent of more enterprise creating competition. Global competition is an agent in advancing leadership skills in the Asian economy. The banking sector has developed a transformational approach to target global competition. This made more banks to follow the same approach to adapt to the new policy and offer better and effective services (Zhang, 2015). Innovation becomes a core objective in transformational leadership because efficiency, confidence, and inspiration help them being ideally enriched. Productivity, innovation, and motivation have been witnessed the rise of the economy, through banking. Revenues have increased in Asia as Alibaba website contributed about $135.99 billion due to its financial ability to expand. Improved remuneration policies to set salaries standard on the developed enterprise, to enable the growth of a global economy. Alibaba company has developed to be international e-commerce under Jack Ma management. Jack Ma is a transformational leader who founded a company and propelled it to success.

Alibaba enterprise as an e-commerce platform has been designed to promote marketing through online sales. The company employed 40,000 more employees when compared to its statistics from 2010 to 2019 from 21,930 in 2012 to 66,421 employees in 2018. The society around the foundation of Alibaba has developed both economically and infrastructure (Zhang, 2015). Increased performance and productivity has led to the extension of the company to a worldwide category. A better working environment has led to the renowned owner of Alibaba to be ranked as a humble leader who optimizes opportunities as art to fill business gaps.

### *2.5.2 Transactional leadership*

Transactional leadership in Asian SMEs is considerable in different sectors to improve either production rate and servicing procedures. Manufacturing sectors in Japan, China and India are amongst enterprises that utilize transactional leadership styles. Indicating that their reward and punishment policy are more applicable because of the performance and production level needed to keep the manufacturing plant competitive. Thus the style of leadership aims to create clear structures and roles that allow their subordinates to achieve the set goals. Manufacturing enterprises such as Toyota, Honda based in Japan depend on the productivity of the employees (Schaltegger and Wagner, 2017). The two company's competitive nature is based on brand type and performance of the product. In this event, the cooperation use of a mixture of both styles will recommend high creativity and innovation, while still considering rewards and punishments.

Transactional leadership has positive and negative impacts on the social-cultural environment. The first approach is that transactional leadership shows indication of a self-centered person, with a lot of power as a leader. Such a leader has high chances of knowing the challenges being faced by their employees. Toyota's ability to allocate different division styles with less communication with their employees exposes employees to misguidance and unmonitored cases during work hours (Schaltegger and Wagner, 2017). Secondly, Toyota combines a motivational approach, used in transformational leadership to gain innovative skills for better and superior performance. The approach also enabled the manufacturing industry to create a vision for the society as a transformational agent. These instances indicate both positive and negative aspects of TF and TA leadership styles.

### *2.5.3 Socio-cultural implications*

Asia culture portrays a different set of mixed leadership styles in managing different enterprises. A leader with social skills tends to be productive in guiding and mentoring followers. Followers expectation of a good leader also affect the working environment and personal production satisfaction. In this event, several followers might expect a friendly and pleasant leader, while some consider a vibrant, authoritative leader for inspiration and motivation. Asian SMEs development interfered with traditional leadership styles (Saleem, 2015). The publication indicates that Business in Asia was under political influence, and a large number of businesses were un by families who later appointed governance to the successor's (Ascencio, 2016). Over the years, advanced leadership evolved, and many adopted transactional leadership as a means of running a business.

### *2.5.4 A mixed-method approach*

Both TA and TF leadership styles have a progressive approach in a single business. The different ladyship styles bring about different consequences, which have resulted in a direct or indirect impact on the attitude and behaviors of employees. TF leadership behaviors are evident to positively relate to the outcome variable, while TA leadership have shown cases of negatively related to long term performance of SMEs. TF positive influence on employee self-efficacy, creativity, motivation, and organizational performance, while transactional leadership promotes enhancement of organizational identification and job satisfaction (Joyti and Bhau,2015). An environment that accommodates both approaches of leadership have a high influence on job satisfaction, and job performance (Monzani et al., 2015). A mixed approach can also influence personal habits growth following the organization's prospects. Cases of employee misconduct, influence working conditions, and performance of an organization. The combined TA and TF leadership styles illustrate how leaders can address situations of misconduct (Ellen et al., 2017). Literature sources indicate that supportive from leaders and a close relationship with employees help to reduce cases of misconduct, underperformance, and scenarios of withdrawal in employees. This association creates a relationship which benefits the organization and the employee as well.

The creative relationship developing between TA and TF leadership approach sensitizes on a personal attribute to enable an employee to be motivated to tackle operations while providing rewards which sustains a personal perception of accomplishment (Babalola, 2016). The collaborative relationship ignites worker's satisfaction in how they conduct themselves and job performance. A setting of the combined environment is the Toyota Company. Toyota Industries in Japan assimilates a broad approach of the mixed leadership styles. As an SME in Asia, the manufacturing company promotes participative leadership while conducting complex engineering in the modeling of vehicles (Monzani et al., 2015). Through guidance, employees in the company create the willingness to pursue performance in every vehicle production. Secondly, an inspiring and motivating environment from transformational leadership can propel an employee work towards a performance. Toyota approach in conducting the TA leadership style illustrates their need to improve the different levels of job satisfaction.

An instance is leaders support and recognition; this comes from both leadership styles. A TF leader prompts recognitions and TA prompts for support of the employee's situation. This brings out the difference in across cultures (Bhagat & Steers, 2009).

The banking sector optimization of both TA and TF leadership style indicates a high degree of leading strategy. Banking sectors are modeled to be effective, performing an innovative. Spano-Szekely (2016) indicates a secure approach on both leadership styles enables the sector to thrive in a both domestic and foreign economy. The collaborative effect has been understood to make an organization prioritize its resources and subdue their workers in performing their best, managing to climb a ladder of achievement in an ease strategy.

Optimization of both leadership styles enabled upcoming companies to meet their challenges head-on and overcome them within a short time to join the leading sectors in SMEs and engage in a healthy competition (Babalola, 2016).

### *2.5.5 Social-political implications*

The type of leaders in Asian SMEs organization has direct power over government engagement for prospects of winning government contracts. To maintain a thriving economy, countries in Asia such as Japan contract some of their SMEs to conduct deals. This is done in accordance with performance, achievement and leadership style of the organization (Nguyen, 2015). In most cases, manufacturing and financing organizations amongst the first to acquire contracts from foreign and local governments.

Food industries are known to support society in their production processes. The growth of export industries in Japan such as consumer electronics, automobiles, and steel become a significant contributor to government revenue. Besides, the industries also contribute to the social economy through job employment, infrastructure development and road development (Saleem, 2015). The satisfaction of the entitled task contributes to other sectors through the development of important means to attain their goal and objectives. This indication states that government contracts are assigned according to the success and accomplishment of a given organization in the market. Political affiliation forms a contingent relationship with the success of a leadership style and denies underperforming organizations a chance in development (Asrar-ul-Haq and Kuchinke, 2016).

### *2.5.6 Leadership styles and Cooperate Social Responsibility(CSR) on Job performance*

Cooperate social responsibility is vital in employees working conditions. An expectant employee under the influence of motivation can provide higher improved job performance. Therefore, the employee's commitment determines how their resultant perception about task completion can ignite a satisfying feeling.

Recent research on the consequence of CSR on workers' job performance with positive and substantial results. As SMEs organizations perform different types of functions to benefit the workers, in return, the employees also illustrate a model of citizenship behaviors in the organization and also establish positive thoughts towards their working places. As organizational leadership determines the environment of employees, the key concept embedded in CSR is the environmental variation of different leadership styles to their employee's performance. Necessary conditions for a productive environment and effective working environment are under the influence of a transformational leader (Ellen et al., 2017). A transactional leader aims at productivity with less to invest in the employees working condition.

Under the influence of a transformational leader, Nguyen (2015) illustrates that employees portray a positive influence on performance as the willingness of success in an employee is considered as a priority in this scenario. As an output variant, job performance seeks competence and contentment (Nguyen, 2015). Such standards of an organization, embody employees to a perceptual understanding of success through functional management. A public relation office in SMEs organizations is set to provide psychological support in ensuring positive behavior within the organization environment.

Involvement of an organization in CSR activities enables the employees to understand their leadership techniques and comprehend the strengthens and weaknesses of the leader. Leaders in this case is able to illustrate their true-self to the employees, be able not to enforce their views on a personal level and achieve based on their morals and believe that, as leaders they are able to achieve a noteworthy level of satisfaction and assist others to accomplish the same set goals (Ellen et al., 2017). A correlation between employee responsibility co-joined with the leader's apprenticeship morals enables workers to improve on their overall performance. Empirical evidence has illustrated that there is a substantial and positive effect of CSR on diverse job results such as administrative commitment, work commitment, employee's performance, and job satisfaction.

SMEs with institutionalized CSR can generate long-term organizational outcomes, such as strong shareholding relationship and a positive image. Leadership resonates with CSR activities which are perceived as consistent and self-serving with an enterprises profit-making interests and sometimes intended to make long-term moral capital or goodwill. The CSR activities in SMEs should be viewed to be voluntary for employees to experience acts of social beneficence and a firm's benevolent performance (Mulki et al., 2015). This influences institutionalized CSR to generate intangible values among employees, and a positive cooperate image.

Academic literature illustrates that TA and TF leadership styles have competence effect among CSR environments. Transformational leadership is considered better at competence exploration, which involves new skills and knowledge to propel transformation. On the contrary, transactional leadership is considered better at competence exploitation which refines and extends the presently attained knowledge and skills.

### *2.5.7 SMEs performance*

Asian culture in SMEs relies on the type of leadership in collaboration with the employee’s willingness to approach change. SMEs categorize their rise in the different shift of leadership management from the cultural to the modernized leadership styles. The manufacturing industry is amongst the sector with great improvement in performance and productivity due to leadership change (Van Iddekinge et al., 2018). Through agriculture, Asian community and economy have showcased performance in well-organized processing firms, with effective leadership styles.

As the SMEs sector contributes to a large percentage in the current Asian economy, their contribution is judged by the leadership styles in governance. Through succession, enterprises dealing with economic belt such as rice has been known to utilize transactional leadership. The incorporations of the government in optimizing manufacturing sectors to grow enables the change of leadership styles to be based on influence and performance to increase the governments GDP (Van Iddekinge et al., 2018). In this event, the Asian government transformed the rural industries through leadership into a world-class manufacturing hub through investment, protectionism, and support. Developing SMEs were introduced into the global economy and also the global competition, opening a window for succession, employee independence, and economic development.

Traditional world-class manufacturing industries are centered on rewards from the government and the community. Success in business performance enabled winnings of government contracts resulting in effectiveness and satisfaction of roles played in the economy. This was determined through domestic competition, and top performers gained in subsidies and rewards (Asrar-ul-Haq and Kuchinke, 2016). Through rewards, SMEs in Asia have showcased promised growth to a higher economy and completion, enabling the employees to gain satisfaction, results, and productivity. The banking sector performance in Asia is based on success pattern and possible growth strategies from different leaders. Through promotional services in every sector, employees have indicated a promising improvement in their performance and productivity (Van Iddekinge et al., 2018). This implies that, though their operations are conditioned for success, their effort is appreciated, the same way the Asian government provided fewer subsidies and tax exemptions to SMEs that received government contracts to boost the economy.

Transformational and transactional effectiveness in the healthcare sector indicated a promising commitment, and satisfaction. The financial sector access to foreign technology through proper bargaining in leadership styles enabled international firms to access the local market and share their key technologies in advancing the leadership styles for development. Innovative policies were set to help in the SMEs productivity to differentiate between the successors in the economy and discard the business which lacked improving strategies to fit the growing population level (Van Iddekinge et al., 2018). This indicates that Asian SMEs change and growth to match the current economic environment and meet the global standards for competition have been under governmental leadership styles which relayed on transforming the country while providing rewards to the sectors that showed promising improvements.

### *2.5.8 Transition period*

According to Asian culture, a prolonged leadership transition period has enabled the economy to thrive. Different leaders have showcased different strategies to evoke transition in an organization. Transformational leaders have portrayed a fast period for improving the condition of an organization through performance. A TF leader can motivate, inspire and drive courage into employees to help the organization progress. This might be in terms of performance, productivity and job satisfaction among its employees. A TA leader transpires their employees by creating a leader-follower relationship (Mulki et al., 2015). The relationship holds provided the employee is supportive, productive and performing to the organization. In cases of unreliable support from a leader, employees tend to seek more and find ways by themselves to provide quality and performance. Although TA has been related to short term influence on employees, the influence on the employees tends to last enabling them to own their roles and cultivate their progress towards personal leadership skills. This enables them to monitor their performance and acquire satisfaction after completing a particular task.

A change in manufacturing SMEs in Asia indicated that the change of its managerial level. Toyota's huge growth to a world-class organization embodied its leader's character to transform and extend its market. Its transition period required consistent performance and inspiration to become a continental organization (Asrar-ul-Haq and Kuchinke, 2016). The Incorporation of TA and TF to effectively propel its development from the old cultural company made it project positive prospects in its leadership styles. The effective leadership skills actualized the employee's success, and satisfaction and modeled them to be as a ladder in the world economy.

The change of cross-cultural to modernized leadership in Asian banking sectors enabled them to embrace the global economy and competition. A combination of both TA and TF leadership styles that the banking sector flourished through performance, after a change from the constructive way of leading financial organizations. Inclusive in both TA and TF leadership styles is the ability of a leader to influence different approaches of competence (Asrar-ul-Haq and Kuchinke, 2016). A transformational leader invokes competence exploration while a transactional leader influences on the competence of exploitation. It is considered that transactional competence of exploitation has success in achieving job satisfaction as an employee is motivated through rewards to fulfill a need to want.

### *2.6 Summary*

Leadership is a critical level of management which requires inner personality to help a person provide innate solutions which regard every follower reasonably. In SMEs, different organizations call from different governing skills, which majors with the business setting and its core objectives. Asian SMEs have projected tremendous leadership styles utilization, as the Asian countries have developed to reach a global economic level (Choi et al., 2016). The banking, healthcare, and manufacturing sectors are core in the SMEs market, enabling their analysis in the dissertation paper. The difference in leadership styles has influenced the way followers to perceive job satisfaction according to the effects it renders and how its long term sustenance in the business.

Asian leadership styles have grown from a cross-cultural level to be mitigated with the western nature of leadership. An approach in the Asian culture cooperates leaders to be less participative collaborative, democratic, and self-centered. As leadership was done through a succession of family members, several successions would require a leader's ability to be tested because the experience was ineffective in this approach (Mulki et al., 2015). In this event, any Asian succession under the political influence was more flagged to approach the transactional style while organization exercising transformational leadership were based on a democratic power acquisition, through skills, experience, and as a vote-in by the governing board of an enterprise.

The effectiveness of Job satisfaction is a conscious idea that depends on a personal view of a task following the business goals and objectives. TF and TA leadership styles project different approaches to job satisfaction through a different business setting. Articulate actions are not only deriving better performance from different leadership but also influence followers to acquire satisfaction in the service they render. TA and TF leadership styles can both be mixed in a cross-cultural environment such as a manufacturing industry (Nguyen, 2015). SMEs under manufacturing sectors believe innovation, performance, and productivity requires the integration of leadership styles. Such an environment projects on fast devolvement, inspiration and rewards to promote advancement in the economy.

Apart from the effectiveness of different leadership styles, follower concerns are also illustrated to address the effect of a leader to a follower. This is conducted while withholding all negative externalities into a leadership style. The effect of leadership on the socio-cultural environment indicates how liable a leadership style affects the internal and external environment of an enterprise. Such complications are analyzed to determine a business setting and the variables that hold to measure job satisfaction in every employee (De Wall et al., 2017).

Government involvement in its SMEs indicates the influence of leaders governing the organizations. Among the organizations that win foreign and domestic government contracts, most of them are considerate on both transactional and transformational leadership styles. Asian countries embraced both models of leadership to maximize on their productions, performance, and achievement of their goals (Mulki et al., 2015). Through the organization's transition phase from their cultural to modernized leadership, an indication of a mixed-approach in combining TA and TF for effective employee satisfaction and achieving organizational objectives. The SMEs performance a collaborative influence of the leadership style used showcased how long-term effects on a certain style can be to an organization (Nguyen, 2015).

# 3.0 Chapter Three: Research Methodology

## *3.1 Introduction*

A qualitative approach was adopted because the effectiveness of TA and TF on job satisfaction among Asian SMEs has been documented in earlier studies. The selection of a qualitative approach is also reinforced by the gaps outlined in chapter two. The qualitative data were analyzed using thematic analysis. The criteria employed in the selection of bibliographic sources are outlined below. The limitations of the qualitative approach are also delineated in the subsequent sections.

## *3.2 Population Characteristics and Selection of Literature Sources*

The population of interest in the current study comprised of SMEs in the financial, healthcare and manufacturing sector in China, India and other countries in Asia. A higher emphasis was placed on SMEs in China and India given that the two nations are among the top ten economies in the world. Therefore, India and China were the benchmarks because it was not practical to provide an account of TA, job satisfaction and TF in each Asian country due to the word count limitations. Moreover, the manufacturing, healthcare and financial sector in the two countries are advanced. Data concerning the Asian SMEs was obtained from the World Bank, IFC, national bureau of statistics and chambers of commerce publications, business and management journals and academic books. However, greater emphasis was placed on scholarly publications and books. Selected information was also obtained from reputable web sources such as Gallup and AON.

The selection of literature sources was guided by the following keywords: SMEs, transactional leadership, transformational leadership, job satisfaction, Asia and business performance. The publication duration was limited to the period between January 2010 and April 2019. Order publications were excluded, except if novel information was provided in the publication. Similarly, non-English publications and non-peer-reviewed articles were disregarded.

## *3.3 Limitations*

The main limitation of this approach concerns originality and original contribution to business research. Even though the present research was the first to review TF, TA and job satisfaction in the three economic sectors, all information was in the public domain. Therefore, there was a minimal original contribution.

# 4.0 Chapter 4: Result, Analysis and Discussions

## *4.1 Introduction*

Through the thematic analysis approach, the search keyword of the dissertation by job satisfaction indicated that healthcare, banks and the manufacturing industry effectiveness was determined by performance, commitment and productivity. The collected data indicated how the qualitative method illustrates the use of both transactional and transformational leadership style in Asia. The Asian community commonly utilizes collectivism as a tool in organizational management, sufficiency in proving the leadership style in Banks, Health and manufacturing enterprises. Indicating that job satisfaction is a variable in determining the type of leadership style used in Asian SMEs.

## *4.2 Findings*

Banks are profit maximization organizations: to sustain profitability, create a difference and increase the capital of the sector. In this sector, managers have to concentrate on transformation and efficiency issues. This is done to create new financial services and products, which can compete with the global market. Asian Banks have to ensure creativity when competing with other SMEs in the global business (Chin and Gallagher, 2019). China showcased a considerably higher rate of banks with a transformational leadership style as they are a developing country.

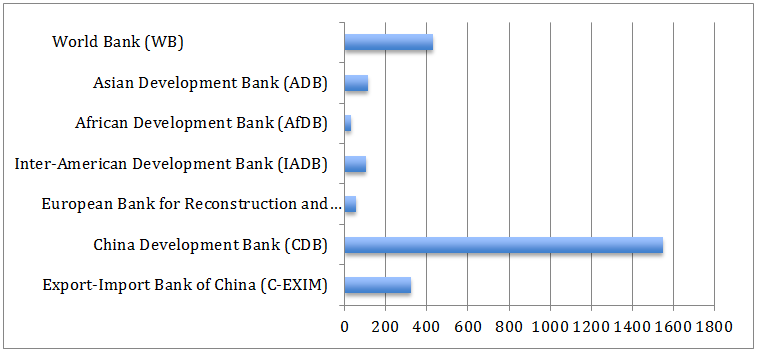


Figure 4. China-backed development banks (Chin and Gallagher, 2019).

The manufacturing industry in Asia broadens its scope because of the organization's principle to rely on performance and productivity. As the manufacturing SMEs in India and China have a high competition power, their reliance on satisfactory productivity increases. The analyzed manufacturing companies indicated a great reliance on transactional leadership style leading to a relatively higher number of manufacturing enterprises acquiring job satisfaction.

Healthcare sector is based on performance, dedication, and ensuring the current situation is safe. A healthcare sector in both China and India have a majority of the leader's task oriented. Indicating that the Healthcare sector has shown considerable reliance on transformational leadership style. Ten hospitals confirmed on transformational leadership as two hospitals based their leadership style as transactional.

Through the literature review of leadership styles contribution to job satisfaction, the effectiveness of a leader also depends on the character of the leader and also the effect transpired due to the influence of the leader. This includes the different characters that the employees like, in a leader and even the likes and dislikes of the leader. Different characters in the leader's influence job satisfaction in different employees. This category of leadership interaction tends to affect workplace operations in different yet impacting ways.

Different organizations seem to utilize a mixed framework of TA and TF leadership styles. In the organization, different sections required different characters to foster creativity and production rate. A higher rate of such organization is centered in the manufacturing sector. Due to this sector being the heartbeat of the Asian economy, the sector has also been known to be a contributor to their countries as revenue.

Lastly, personal beliefs and traits towards the work environment and the social culture of the workplace will experience difficulties in job commitments, performance, and productivity. Therefore, a personality trait can influence the pro-activeness of an employee, despite the contribute responses from different leaders to adjusting of the situation.

The findings were broad as related to the review of employee satisfaction. Different human resource management provides different strategies to improve job satisfaction. The obtained results are as a review of job satisfaction, performance, and productivity of a company about the leadership style in control. Research conducted provides a clear outline of how a leader influenced an employee, to adequately perform and find satisfaction in the work done.

## *4.3 Analysis*

Thematic analysis was used in this research because it projects the patterns “themes," within the collected data. It uses enables the rich organization of data while interpreting various aspects of effective leadership styles in job satisfaction. Leadership styles have much effect organizations. Considering this, it also has its positive externalities and negative, in accordance to where it's used. The report review illustrates how TA and TF leadership styles have contributed to the functionality of an organization. Asian SMEs inclusive of banking, healthcare and manufacturing sectors contribution to in leadership has also led to the growth of China and India economic. Analysis of the research contributes to the understanding of every operation that influences the generation of the perceptive nature of satisfaction. The analysis transcends to illustrate how key factors such as leadership, type of organization, employee perception of competency, and satisfactory servicing.

According to the objectives, the thematic aspect of the research is the effectiveness of leadership styles, the relationship between leadership styles and determining how well the Asian SMEs can utilize the leadership styles in attaining success. Both TA and TF have different aspects that propel an organization to be effective in rendering their services. The capability of a leader's approach a setting of operation, with the different working environment, and different employees make the second approach in how employees consider satisfaction.

### *4.3.1 Leadership styles.*

Asian SMEs experienced a broad culture due to its ability to compete and join with the world. The cultivism and succession types of leadership, to leaders based on experience skills and competency. Leaders in the banking sector first change of leadership made them seek prosperity in performance and efficiency service offering (Zhu et al., 2011). According to the research review, banking systems are driven by performance, and competency to assure the safety and integrity of the saved resources. As a leader, enacting change in an organization requires commitment, integrity, and performance.

Transactional leadership leaders center on economic, political, and psychological interactions to propel individuals in an organization. The opposite is right of transformational leaders, who involve leaders and supporters to stake a collective mutual purpose (Simola et al., 2010). Transformational leaders are capable of promoting a mission and visions of the association through a venerated influence. This is to instigate a united vision and organizational tram spirit to achieve organizational objectives through an inspirational and motivational environment (Zhu et al., 2011). The leader's scholarly stimulation is a tool to invigorates professionals to be innovative, creative and empowered to solve the present problem of effectiveness. This makes leaders creative enough to create a supportive environment, that should provide specific considerations and engage each professional on an individual level.

Effectiveness of both TA and TF leadership styles co-joins in a moral decision-making level of both style. The exemplary morality identity component from leaders and follower's indecision making actions enables them to create awareness of their needs and make the element necessary for authentic leadership (Zhu et al., 2011). The authenticity of a leader with positive benefits thus forms a derivative for the job satisfaction of their employees.

*4.3.2 Type of organization*

Organization purpose and operations form an integral part on which leadership style should govern it. The different setting and operational standards influence the type of leader an origination employs, as productivity and performance is a key factor in leadership. Banking sectors incorporate a broad consideration of leaders to monitor all aspects of banking adequately. Charismatic leadership influence can redirect a person's interest in different ways; the case is true because different leaders can influence people differently in different types of organization. A manufacturing company has different leadership skill when compared to a banking system. This requires different leadership styles to promote performance in a diverse work setting (Jackson et al., 2013). A healthcare sector is governed by crucially and care providence to promote human life, unlike the manufacturing and the banking sector. A transactional leader in an Asian SME would have difficulty in socially creating a comfortable environment for the organization staff and patients. This is because of the different skill set of the two leadership style.

The contingency operations of an organization are the key factor that determines the different skill to be contained in a leader. The integration of the westernized leadership styles together with the culture leadership style has propelled Asian SMEs, because of the ability to adopt change. Asian SMEs developed a new technique to manage different sectors with the different approaches that are currently in place. Through a TF eldership style, a sector such as banking and healthcare would benefit in consideration to a manufacturing sector. The case is valid because healthcare and banking sectors emphasize more on performance and operation commitment. Leaders withholding transformational skills can positively influence these sectors through elevation of morality and motivation to change the perceptions and values of their followers. Enacting change in a more efficiently compared to transactional leadership. A transactional leader is more efficient and productive in manufacturing and processing organization, where effectiveness is based on the production level.

However, the TA and TF leadership tend to co-exist in different organization setting; this is to promote employee's integration and to boost their morale of the service given. The interaction influence enables cooperation of different managerial aspects to optimize in the cooperation, performance, and commitment of the followers. Therefore, leading to the key to employee satisfaction.

*4.3.3 Employee Perception of competency*

Employee's perception of competency is determined by a leader's ability to interact and create an image of themselves to employees. A personal trait can determine how employees can become to their duties. This is because their competent nature depends on the social, psychological and organizational features which have been set to interact and increase performance. Competency is a satisfactory reaction to the working environment, social employee interaction, and job performance.

The LA and LF leadership styles have various approaches to follower interaction. A transformational leader can inspire, motivate and visualize a follower's perception make them achieve more as individuals. Secondly, the leader can associate with their employees building a bond of trust, enabling the follower to find an easy way to approach them in times of challenges (Li et al., 2013). In this event, performance and competency among employee and their leaders build which enables the employees to willingly, and purposefully perform to satisfaction. A transactional leadership embraces interaction with followers to promote on reward or either give punishment to those that don't deliver as expected. A leader with limited interaction with the followers diminishes personal interaction to understand their followers state of mind. Therefore, denying followers the ability to embrace their competent nature and base their commitment to a leader-follower relationship (Kinicki et al., 2015). This might interfere with overall work performance as it might appear, a follower will only be committed to the extent a leader will give reward to give satisfaction.

*4.3.4 Satisfactory Servicing*

Personal retribution in workplace commitment depends on a follower's ability to withhold the core values and policies of the organization. Personal performance depends on the leadership style concerning interpersonal relations or the approach of promoting work performance. In a cross-sectional case study of followers from different organizations, Hsieh (2016) illustrates that while work performance and satisfaction inspired one another meaningfully, the influence of work satisfaction on occupation performance was robust than the effect of employment performance on profession satisfaction transversely all organization sectors. Indicating that a content follower is more willing to be productive compared to an employee with low satisfaction at the workplace.

*4.4 Discussions*

The culture and economic nature of India and China's SMEs affect an organizations leadership style. The selected literature sources indicate that business performance and expectation determines the style of leadership to accommodate (Trivisonno and Barling, 2016). Developing a transformational leadership style in banking sectors was based on economic performance and global competition (Malik et al., 2017). Globalization has equipped the banking sector with the need to compete on economic power, rendering Asian banks with transformational leaders to propel the sector.

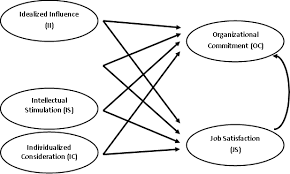


Figure 4. Theoretical Framework of transformational leadership influence (Malik et al., 2017).

The manufacturing sector is based on the productivity and efficiency of their services. In transformational leadership, the sector has showcased less commitment when compared to the banking sector — leading to cases of delay, poor communication strategies and unmannered offices or departments (Trivisonno and Barling, 2016). The manufacturing sector showcases job satisfaction when aligned with transactional leadership.

The healthcare sector depends on the skill and performance of trained personnel. Transformational leadership applies personal commitment, skills, confidence, and knowledge to take charge of an emergency (Malik et al., 2017). Transformational governance has been associated with job satisfaction because of its ability to change the hospital personnel to give their best and save the human race.

Leadership styles are crucial in enhancing organizations performance, as it's the leader's key concept of influence which enables the followers to adapt to their roles. Asian SMEs leadership has influenced the country's economic value to show performance and satisfaction in improving development. Job satisfaction employs the fact of performance and commitment within a follower, to indicate the effects of the leadership style governing them (Li et al., 2013). Despite the different work setting for the different leaders to illustrate their influence, a constant reaction in followers dictates how comfortable the workplace makes them more productive even without constant reminders.

Leadership effectiveness harness the productivity, and commitment of followers to enable them to meet challenges and still be efficient in their operations. As reviewed, it is evident to indicate that individual leadership styles manifest in diverse ways in various leaders and different managerial roles through different organizations, situated in the various geographical, communal or cultural context (Kinicki et al., 2015). Therefore, a leader's responsible behaviors towards their roles in their organization help to improve the performance of employees and enable their employees to obtain satisfaction.

Chapter 5: Conclusion

*5.1 Introduction*

The review includes scholarly literature relating to leadership styles, worker performance, administrative sustainability, and job satisfaction. The research optimizes the effectiveness of leadership styles in sustaining competency of followers to enable them to be committed, productive and efficient. The proposed research illustrates that job satisfaction is a dependent variable, which is determined by the leadership styles it optimizes.

Following the review, leadership styles are considered a core factor in the remodeling of Asian SMEs, from the older cultural methods to the westernized forms. The objectives set out how essential TA and TF leadership styles have influenced job satisfaction. Different categories of leaders in different work setting have a different influence on their followers, which helps to moderate performance and employee satisfaction. Secondly, the literature provided an aim in how TF and TA leadership can improve the enhancement of employee satisfaction. The ability of a leader is measured by how efficient services being offered have contributed to the improvement of the organization (Jackson et al., 2013). Lastly, is the consideration of the appropriate leadership styles to be used in the different settings of different organizations. The approach considered to promote the different managerial sections in organizations to incorporate a mixed approach of leadership styles discussed. The appropriateness of incorporating various aspects of leaders in a particular environment is to boost the follower-leader association to improve on performance.

The research key findings indicate that job satisfaction not only is it determined by the type of leadership influence but also the personal contribution of the follower. Personal reflection of the leader, psychological and cultural effects will also determine setbacks or improvements in satisfaction. This indicates that how a follower can react to a leader's influence, and in combinations with their present state of mind, then satisfaction can be determined. Secondly, performance is constantly dependent on job satisfaction (Kinicki et al., 2015). As illustrated, a follower performance depends on morality, values and the mood as a constant ignition of doubt. Therefore, followers' performance will depend on the nature of satisfaction they will acquire after completion. The illustration portrayed that performance is a reaction from followers to the action ignited first by the leader. Adding to the research that, even though a leader's influence may seem the motivating factor to follower's job performance but job performance is as a result of first follower and leader impression on the first encounter.

*5.2 Recommendation*

The research only focused on the effectiveness of Asian SMEs without regarding the political leadership level in Asia. The political governments in Asian countries govern the workflow of SMEs inclusive of the economy. Its leadership strategy determines how the SMEs would respond to its nature of overseeing and seeking satisfaction in the government projects. Therefore, I recommend further research should be conducted to determine the political influence of the government to its SMEs and how effective the leadership provides satisfaction to their operations.

*5.3 Limitations*

The scope defined a specific area of TF and TA leadership among SMEs in Asia. Therefore, other leadership models beyond Asia or non-Asian SMEs. The specify of the research conducted gave a limited field of reference and also gave way to the exclusion of crucial information. Cases of research limitations related to insufficient relevant literature to Asia because TA and TF are western-based leadership model.

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