THE MODERATING EFFECT OF TRANSFORMATIONAL LEADERSHIP

ON THE RELATIONSHIP BETWEEN EMPLOYEES' PSYCHOLOGICAL

EMPOWERMENT AND EMPLOYEES' JOB SATISFACTION

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ABSTRACT

The main objective of the study was to examine the moderating effect of transformational leadership on the relationship between employees' psychological empowerment and the employees' job satisfaction. This study was originally motivated by the increasing importance gained by employees' job satisfaction construct towards successful organizational performance. It was also based on the literature review that proved that the more satisfied the employees of an organization, the more satisfied will be the customers and subsequently the more successful will be the business. As it has been reported and discussed in the problem statement part, Yemeni banks failed to attract the customers and develop a successful banking culture. Additionally, this study was motivated by the fact that the literature of human resources gave a huge attention to the effect of transformational leadership on empowerment and even employees' satisfaction but how empowered employees are satisfied under the supervision of transformational leaders has been neglected. To achieve the objective of this study, the relevant literature was reviewed and thouroughly reported. In the view of the transformational leadership theory, the framework and the hypotheses of the study were developed. To test the developed research framework, a quantitative research approach was employed in which a survey questionnaire was self-administered to collect the data regarding the variables of the study. Out of 250 questionnaires distributed to the employees in Islamic banks in Sana'a, where the biggest number of Islamic bank branches was located, 170 questionnaires were returned among which 160 constituting 64% were usable. The findings of this study confirmed the significant role of transformational leadership and psychological empowerment on the employees' job satisfaction. On the other hand, the moderating effect of transformational leadership on the relationship between employees' psychological empowerment and the employees' job satisfaction was not supported by the findings of this study.

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CHAPTER ONE

INTRODUCTION

1.1   INTRODUCTION

Nowadays, the global business environment has become hypercompetitive. Therefore, all kind of organizations operating in this uncertain marketplace have been facing many challenges regardless of the size, technology adopted, and highly strategic policies used in these organizations (Ramlall, 2004). Furthermore, the fast paced technological advancements changed all aspects of life and the whole world has diversified the choices for job seekers. However, the availability of jobs cross boarders has affected the stability of talented job seekers who are always attracted by high promising jobs causing what is so called as brain drain. Not only for the talented employees but also other less experienced can also seek better jobs anywhere in the world. In this situation, the business environment can be characterized as instable especially from human resources perspective.

It has been very much acknowledged that employees are the most valuable assets of an organization and play the crucial role in achieving its overall objectives. These arguments justify the attention given to studying the psychological characteristics of employees and what determine their job satisfaction that impacts the organizational performance.

Due to the open global market business environment and consequently global attractive job opportunities, the issue of employees' job satisfaction has been gaining

an increasing attention by both academicians and practitioners to retain the talented and loyal employees. It was also argued that there is a correlation between employees' job satisfaction and the financial success for organizations (Maister, 2001). Moreover, the cost of turnover of employees from their organizations has been reported to cause big losses. For example, Fitz-enz (1997) argued that the average direct as well as indirect loss by company for every ten managers and professional employees is about $1 Million. Apparently, the voluntary leave has been one of the major problems in most of the ASEAN countries such as Malaysia, Thailand, and Taiwan (Ahmed & Bakar, 2003). Furthermore, Ramlall (2004) stated that job-hopping has become a culture in Asian countries.

The necessity to retain talented and experienced employees' has attracted both practitioners and academicians to pay an increasing attention to study the determinants of employees' job satisfaction. In other words, scholarly attention has been directed to study the determinants of employees' job satisfaction not only in terms of financial benefits but also in terms of other human aspects of jobs.

To achieve short as well as long-term objectives of an organization, all the employees' ideas, creativity, and opinions are needed. Moreover, the efforts in an organization should be exerted to create and establish the passion in the employees towards their jobs. However, t has been emphasized that it is possible to purchase man power but it is impossible to purchase their hearts and minds (Covey, 1997). Therefore, an organization should be able to utilize the available intellectual skills and knowledge resources in the employees, all the employees should have and acquire the feeling of belonging to the organization and match their objectives with the overall objectives of their organization.

The strong contribution of employees to an organization's success is academically as well as practically acknowledged since the employees can have a customer-centric approach in their work and related interactions. Therefore, if the employees are satisfied, they are more likely to show higher customer-oriented behavior and significantly contribute to the overall performance. The on-going concern of an organization is how to ensure high level of job satisfaction among their employees.

In the literature of human resource management an extensive attention has been given to explore the effects of employees' satisfaction on productivity, turnover, customer loyalty, and profitability. Unfortunately, notwithstanding the attention given to the employees' satisfaction in the literature, the importance of job satisfaction on the performance has been neglected in the extant operation management literature (Boudreau 2004).

In addition, many variables have been studied as determinants of the employees' job satisfaction and this area of research is still calling for further contributions. Therefore, the aim of this study is to examine the effects of psychological empowerment and transformational leadership on the employee satisfaction and focus on the moderating effect of transformational leadership on the relationship between psychological empowerment and employees' job satisfaction. The empirical literature revealed that if the organization ensured high level of employee satisfaction, a high level of customer satisfaction and then profitability can be achieved (Levine 1995).

1.2   PROBLEM STATEMENT

The Yemeni banks have been reported to have many problems threatening their overall organizational performance. For example, according to the Yemen Country Profile Report (2009), the Yemeni banking system is very weak to back up the

development process of the country. In addition to that, the former Mayor of the Central Bank of Yemen (Abdulqader Bajammal) stated that the Yemeni people save their money at homes and don't trust or reluctant to deal with banks. This fact was reflected in the limited annual banks' transactions that were found to be only 600 thousand bank accounts, which represent only 2.7 per cent of the population, and no more than 500-600 thousand annual circulated checks. These facts have been confirmed by a recent study conducted by the Malaysian company SIRIM Berhad (2010) in the effort to design a strategic plan for industrial development in Yemen. As reported by this study, only 4 per cent of the entire Yemeni populations have banking accounts (Saeed, 2011).

For the Yemeni economy, SMEs reported to have significant importance since they constitute of about 99.6 % of all business organizations and contribute more than 7.2% to the GDP of the country and employing more than 485,000 workers (Ministry of Planning and International Cooperation MOPIC, 2004). Despite this important role of SMEs, the major challenge of SMEs' survival and growth in the Yemeni business environment is to have an access to the financial resources required for the operational needs. Specifically, in a survey conducted in 2004 by the Ministry of Planning and International Cooperation the results showed that 12.2 per cent of SMEs working in Yemen lack the access to the financial resources for successful operation (Ministry of Planning and International Cooperation MOPIC, 2004).

In an attempt to identify the reason behind that, Saeed (2011) attributed that to the lack of banking culture resulted from very poor customer-focused businesses. In relation to that, Al-Swidi and Mahmood (2011) argued that one of the most serious causes of the Yemeni banks' problems is the lack of customer-focus strategies being

practiced by the Yemeni banks. As a result of that, the Yemeni banks have failed to gain the trust of the Yemeni customers to do their transactions through banks. Without the ability of Yemeni banks to attract the Yemeni savers as a source of money, the survival and growth of these banks will be questioned. These threatening forces might be severe if the efforts to open the economy have been success. In other words, after the expected entrance to the World Trade Organization (WTO), there will be a fiercer competition and the structure of the Yemeni business environment will be completely different.

Many previous studies in the literature showed that there is a strong positive relationship between employee satisfaction and customer satisfaction (e.g. Schneider & Bowen, 1985; Schneider, White, & Paul, 1998). As widely acknowledged in the literature, there is a positive significant relationship between employee satisfaction and customer satisfaction (Bernhardt, Donthub, & Kennette, 2000). That is to say, employee satisfaction is substantively and statistically significantly related to the service quality and customer satisfaction leading to enhanced performance and successful strategy implementation (Brown & Lam, 2008; Yee, Yeung, & Cheng, 2008). These findings imply that if an organization wants to achieve high level of customer satisfaction, it should first achieve a high level of employee satisfaction since employee satisfaction positively affect the customer satisfaction and then the business outcomes.

In his endeavor to identify the difficulties hinder the quality management implementation, Al-Zamany, Hoddell, and Savage (2002) indicated that the poor human resource management practices is considered as one of the main reason that explains the resistance of changes and technology adoption. Specifically, the Yemeni

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employees are not involved in the decision-making processes, very less empowered, rarely trained, and hence always dissatisfied.

Therefore, as this study aims to examine how the empowerment and proper leadership style can lead to satisfied employees who can crucially contribute to the quality of services provided and then keep the customers satisfied and even loyal.

1.3   RESEARCH QUESTIONS

Since this study aims to contribute to the efforts being exerted to determine some of the influential factors that affect employees' satisfaction. Actually, the main objective of this study is to examine the moderating effect of transformational leadership on the relationship between employees' psychological empowerment and the employees' job satisfaction. Therefore, in line with the background as well as the problem statement discussed in the preceding section, the study attempted to provide answers for the following questions and their following sub questions:

- Is there any effect of employees' empowerment on the employees' job satisfaction?

- Is there any effect of transformational leadership on the employees' job satisfaction?

- Does transformational leadership moderate the relationship between employees' psychological empowerment and employees' job satisfaction?

1.4   RESEARCH OBJECTIVES

The main objective of this study is to examine the moderating effect of transformational leadership on the relationship between employees' psychological empowerment and employees' job satisfaction.

Based on the aforementioned research questions, the study aims at achieving the following research main and detailed objectives:

- To examine the effect of employees' psychological empowerment, if any, on the employees' satisfaction.

- To examine the effect of effect of transformational leadership on the employees' job satisfaction.

- To examine the moderating effect, if any, of transformational leadership on the relationship between employees' empowerment and employees' satisfaction.

1.5   SIGNIFICANCE OF THE STUDY

This study has a significant value for both academicians and practitioners since it examines the relationship between the Employees' Psychological Empowerment (EPE) and the Employees' Job Satisfaction (EJS). Moreover, it will give insights into the moderating effect of Transformational Leadership (TL) on this relationship. As a response to the need rose by an increasing number of scholars to examine the factor influencing the level of employee satisfaction, this study contribute to the literature by examining the pivotal role of empowerment and transformational leadership.

From a practical perspective, the findings of this study provided useful insights into the role of managers in employee satisfaction and how satisfied employees can lead a

profitable business through their effective customer-oriented behavior that satisfy the customers and gain their loyalty.

1.6   SCOPE OF THE STUDY

This study is limited to examine the moderating effect of the transformational leadership on the relationship between employees' psychological empowerment and employees' job satisfaction. However, this study will be limited to the employees working in the four Yemeni Islamic banks namely, Saba Islamic Bank, Tadhamon International Islamic Bank, Islamic Bank for Development (Finance and Investment), and Yemen Bahrain Shamil bank. The list of employees was taken from the human resource departments in each branch in Sana'a, the capital of Yemen, where the maximum number of branches and hence employees where located. The questionnaires of the study were distributed based on the simple random sample selected.

1.7   DEFINITION OF KEY TERMS

Employees' Psychological Empowerment (EPE):

Thomas and Velthouse (1990) defined empowerment, as the internal motivation, based on four perceptive dimensions namely sense, competence, choice, and impact. Spreitzer (1995), however, incorporated these dimensions in defining the empowerment construct.

Transformational leadership (TL)

Transformational leadership is defined as the extent to which the leaders can influence their followers. As a result, followers admire, trust, and respect their leaders and show motivation to perform beyond the expectations to achieve the goals

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of individuals and organization (Bass, 1985; Keegan & Hartog, 2004). Additionally, Gibson et al. (1997) define the transformational leadership as the ability of leaders to influence, inspire and motivate their followers to achieve higher than the originally planned ones.

Employees' Job Satisfaction (EJS):

As defined by Locke (1969), job satisfaction is the positive emotional state developed by the employee as a result of his evaluation of his own job and other related experiences. In the same regard, Iaffaldano and Muchinsky (1985) and Judge and Bono (2001) defined the employee's job satisfaction as the employee's reaction to his/her job related experiences and the emotional state resulted from comparing these experiences to his/her prior expectation.

1.8   ORGANIZATION OF THE REPORT

This study was divided into five chapters. Chapter 1 presents the introduction, the problem statement, the research questions, the research objectives, the scope of the study, and the significance of the study.

In Chapter 2, an adequate review of the literature concerning the variables of the study was discussed and the gap was highlighted.

Chapter 3, however, discusses the methodological aspects of the study such as the research design and sampling techniques. Additionally, this Chapter discussed how the hypotheses of the study have been developed and reported the statistical techniques employed in this study.

Chapter 4 presents the findings of the study. Specifically, the factor analysis was reported and the results of the regression analyses were exhibited to test the hypotheses of the study.

Finally, Chapter 5 discusses and interprets the findings of the study. In the light of the limitations, conclusions have been drawn and future research directions were pointed out.

CHAPTER TWO

LITERATURE REVIEW

2.1   INTRODUCTION

This Chapter reviews the literature concerning the Employee Job Satisfaction (EJS), Employees' Psychological Empowerment (EPE), and the Transformational Leadership (TL). Additionally, this chapter reviews the past literature related to the relationship among these variables and highlight the gap that this study tried to bridge in the literature. Also, this chapter provides a look into the theory underpinning the framework of the study.

2.2   EMPLOYEE JOB SATISFACTION EJS

The issue of employee job satisfaction (EJS) has been widely discussed in the organizational behavior literature. The wealth research work in the literature revealed that the more satisfied the employees, the less the turnover rate and absenteeism. Researchers, however, extended huge research work to identify the determinant of EJS. There has been almost consensus among academicians and practitioners that teamwork environement, job autonomy, leadership style, and the nature of the work can be important determinants of EJS. However, determining the power of each variable towrads EJS might be dependent on the environment. As the EJS has positive and significant effect on employees' productivity, organizations always invest in technology and change their strategies to increase EJS and subsequently productivity. Effective human resource management (HRM) practices play a critical role in increasing the level of EJS and then productivity (Bloom & Van Reenen, 2007).

Although there have been many definitions of the employee job satisfaction, there is an almost consensus among researchers that it is the feelings developed by employee towards his/her job. Specifically, Spector (1997) defined it as the degree of like or dislike people develop towards their work. Locke (1969), on the other hand, defined job satisfaction as a positive emotional feeling towards his/her job resulted from the comparison between their expectations and actual benefits.

In the past, researchers suggested that job satisfaction comes from the person's feelings towards his/her job rather than the fulfillment of his/her needs (Locke, 1976). Several other determinants of job satisfaction such as reward system, individual differences, self-esteem, and locus of control been examined by many researchers (Lankau & Scandura, 2002; Chen & Silverthorne, 2008).

Additionally, EJS is defined by Bullock (2003) as the attitude results from the balance between likes and dislikes connected to job experience. It is also defined by Peptone (1999) as the employees feeling related to four important areas namely, job, management, personal adjustment and social relations. In a similar way, Hop Pock (1996) defined employee satisfaction as a combination of psychological, physiological and environmental circumstances that causes the personal satisfaction with his job. In general, the EJS can be thought of as the output of work environment. EJS construct has been used to describe the individual attitudes towards some aspects of the work situation. Since the occupation of individuals become social phenomenon, a great and increasing attention given by researchers to the issues related to the job satisfaction.

If the employees are not satisfied in the organization where they work, they surely seek their satisfaction elsewhere. In general, it was concluded by Ting (1997)

that job characteristics such as pay, promotional opportunity, task clarity, and skills utilization, as well as organizational characteristics such as commitment, relationship with supervisors, and co-workers have significant effects on job satisfaction. Organizations, that are serious about the job satisfaction, have to tale deliberate steps to develop and maintain a stimulating work environment. However, for job satisfaction, there are various dimensions to be considered as vital in explaining the EJS construct. These constructs are important since they influence the way a person feels about his/her job.

As described by Katzwl, Barrett and Parker (1961) that the employees' satisfaction and performance are the output resulted from the interaction between the employees' efforts and the working environment, abilities, and motivation. In addition to that, the EJS can be generated by meeting the employees' expectations and needs from their work (Pepitone 2006). As previously indicated, due to its significant impact on customer satisfaction and business profitability, the issue of employee satisfaction has been the subject of huge research efforts. In the literature of human resource management, many elements have been reported to be related to the employee satisfaction. Some of these elements are discussed in the following.

HRM practices has been acknowledged to have a significant effect on satisfaction with pay and overall job satisfaction (Petrescu & Simmons, 2008). Additionally, Davis and Newstrom (1999) described job satisfaction as an experience that has different aspects. Some of the most important aspects related to the work conditions and the nature of work. It has been emphasized that job autonomy, job security, wages and expectation for promotion significantly impact the job satisfaction of employees (Guest, 2004; Silla *et al*., 2005).

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In an attempt to discover the determinant factors of job satisfaction, Garrido *et al*. (2005) carried out a researchers on sales managers of Spanish industrial companies. Their findings revealed that human resource management practices based on compensation, job autonomy, and empowerment were essential for EJS.

The formation of teams that show high level of cohesivness can be an effective factor that results in job satisfaction. Teamwork culture can help the employees to perform their works and improve their added value outcomes driven by their own plans apart from the enforcement made by the traditional management practices (Dunkerley, 1975). In the current dynamic business environemnt, there should be fast and aligned changes that could be successful only by the emphasis on teamwork spirit and encouragement of changes.

Besides the teamwork culture, leadership can be one of the crucial factors to grow the employees abilities and build their capabilities through establishment of a cuzy work environment full of love and sincerity that create the employees' loyalty and enhance their productivity (Aydin & Ceylan, 2009). Leadership, generally, refers to the motivation and influence, practiced by competence and skilled person, on the employees and subordinate to achieve overall organizational objectives (Gill *et al*., 2010).

The complexity, increased volatility of the current business environment, the rapid technological changes, and the hyper-competition in the market rquired organizations to pay more attention to all the human capitals as one of the main resources to be used efficiently to create the competitive advantage. Loyalty and commitment and subsequently high performance of workers are the immediate results of job satisfaction. The previous research study involve a great deal of attention to the

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job satisfaction as the determinant of employee's performance especially in the uncertain, turbulent and competitive business environment (Khalid & Irshad, 2010).

To be able to survive in the current competitive market, banks , among other organizations, have to focus on offering high quality products and services at competitively cheap price. However, one of the main determinent of effective banks' performance is the ability of banks to retain their talented, well-trained, and skilled employees(Khalid & Irshad, 2010).

Additionally, needless to say that the satisfied and loyal employees of any organization are the heart that that supplies the life and ensures the survival. Therefore, top management of an organization has always to generously invest in employee satisfaction and subsequent loyalty. The failure to realize and recognize the importance of human factor in the organization can lead to dissatisfied employees with high rate of turnover that lead to low level of customer satisfaction (Heskett, Sasser , & Schlesinger ,1997).

It has been widely recognized that successful business leaders today have been paying a great deal of attention on the satisfaction level of their employees, especially customer-contact employees, and their customers more than immediate profits and market share (Jones, 1994). That is to say, to ensure the long-term business effectiveness, profitability, and success, employees' satisfaction is the most important driver. To further elaborate the elements of employees' satisfaction, the following section devoted to explain some of these factors.

2.2.1 The Elements of Employee Satisfaction

Based on the review of the past relevant literature, many elements can be identified as important for the employees' job satisfaction. Some of these elements are discussed in the following sections.

2.2.1.1 Leadership and Management Attitude

As it has been widely acknowledged in the literature, leadership and attitudes of management toward employees is the solid foundation of employee satisfaction. Generally, there is no specific universal definition of the successful leader. It can also be said that although successful leaders may have different styles but share strategies to gain employees' trust and loyalty through high level of satisfaction (Welch & Welch 2005).

Due to the acknowledged definitive and influential role of organizations' leaders on the employees' behavior and satisfaction, there has been an extensive research investigating the leadership style and employees' job satisfaction (Brooke, 2005). Notwithstanding the various traits of successful leaders, there has been an agreement that successful leaders establish the vision of the organization, identify the overall direction and motivate the employees to achieve the overall organizational objectives. To be able to play this important role, there should be an effective communication system between employees and leaders to ensure that the vision has been well understood by employees and they act accordingly (Kaplan & Norton 2001).

In addition to the effect of effective communication between leaders and employees on the employees' satisfaction, the issue of trust between the two parties has been thought to be very crucial factor to establish the employee satisfaction

(Burke & Collison 2004). That is, trust in an organization increases the employee satisfaction. By and large, organizations at all their levels have to develop effective leaders who can understand employees' needs, desires, and expectation to bolster and maintain a high level of employee satisfaction (O'Connor, 2004).

It has been also argued by Markow and Klenke (2005) and Milliman *et al*. (2003) that leadership spiritually is a major factor of employees' satisfaction and loyalty. Also, the more effective the leadership style practiced by the management of an organization, the high will be the employees' intention to stay. Moreover, job satisfaction is, according to Hackman and Oldham (1980), cover various factors such as the work, work supervision, the benefits, promotions, and coworkers' attitude. A great deal of attention has been given to the satisfaction on pay and leadership behavior.

2.2.1.2 Work Environment

The work environment has been considered as one of the main factors for employee satisfaction. The work environment can be identified by the respect and appreciation derived from the employer and co-workers (Stein & Book, 2000). There are many aspects encompasses the work environment such as the physical environment, the management's attitude towards employees, and the relationships with colleagues. These three aspects have been recognized to have significant effect on employee satisfaction. However, all the elements in the employee's work environment that affect negatively the employee satisfaction should be rectified or removed so that only positive elements remain (Fuimano, 2006).

In general, Organizations that wish to create an environment that could enhance teamwork and collaboration should ensure that the space is appropriate and

the furniture is comfortable and the technological devices for the work requirements are available to facilitate the work activities and enhance the employee satisfaction (Heerwagen 2004). In addition to that, employee-oriented organization should have a leader who can be an example for employees and should establish an effective communication and exhibit the traits of commitment, honesty, ethical behavior, and teamwork. To achieve high level of employee satisfaction, organizations should establish an organizational atmosphere through the following enhancing environment:

- Create an empowerment environment

- Create an innovation environment

- Create a learning organization culture

- Create an environment for employee learning

- Create an environment that fosters ethical and honest behaviors

In demonstrating the importance of teamwork spirit for employees' satisfaction, Patel and Cardon (2010) suggested the teamwork culture is the key factor based on which effective leadership style and HRM practices can build on to achieve high level of employees' satisfaction. In relation to that, Gogoi (2005) found that teamwork spirit and culture is the main determinant of the business unit's strategic benefits due to the significant contribution of team work spiritually.

2.2.1.3 Employee Training and Development

It has been widely acknowledged that training employees is one of the main factor employee satisfaction and then loyalty. (Sussman, 2006). That is, the more and adequate training the employee received, the more satisfaction and loyalty he will have. Training programs should be well-planned and designed to achieve organizational goals. However, the employees should be enlightened about the

training topics and what are the expectations based on the implemented training programs (Laff 2006). In essence, training and development of the employees should be the focus of any organization as to have renewable human resources and enhance the organizational abilities for expansion and change initiatives.

The previous relevant researchers showed that pay is not the number key element of employee satisfaction as might be expected. The efficient the employees' development programs, the increased will be the productivity and the more contribution of employees to the overall organizational success. Therefore, it has been widely acknowledged that organizations that establish and design good training and employees' development programs can have less employee turnover, more productive employees, and consequently, more profit.

2.2.1.4 Recognition

In the current business environment, employees in organizations are more than inputs in the processes to generate products and services. That is why organizations started to design plans to motivate employees and show more recognition to build and maintain employee satisfaction. As it was confirmed in Herzberg's (2003) motivation-hygiene theory, recognition, among other intrinsic factors, leads to employee job satisfaction. Recognition of the employee's work leads to job satisfaction because it satisfies the employee's need for self-actualization (Maslow, 1954; Tietjen & Myers, 1998).

2.2.1.5 Effective Communicating

As the communication is essential in all kind of interaction, it is, though, very much required to establish successful business relationships. Essentially, the art of communication is a vital component of employee satisfaction and engagement. It is

the component without which all the tasks would be impossible to accomplish. That is, all activities starting with giving instructions, supply, performance assessment, delivering services, would end up failure without a proper communication. As a result, the communication component is the vital element in the relationship and interaction with supervisors and co-workers and hence affects job satisfaction (Brass, 1981). Furthermore, the lack of effective communication can cause employee dissatisfaction and consequently affects the productivity and efficiency in an organization.

In fact, all the management functions such as planning, organizing, staffing, leading, and controlling are heavily dependent on communication. The importance of communication for the job satisfaction has been studied in prior research (Petit et al., 1997; Wheeless et al. 1984) where they illustrated the importance of communication satisfaction when it comes to supervisors. It was also argued that understanding the impact of communication on job satisfaction is imperative to gaining greater benefits for both the employees and the organization.

In general, the effective communication in an organization helps employees to understand the business processes, communicating the details of strategies, decisions, and actions, gain the knowledge related to the Right-to-Know rather than a Need-to-Know, and to learn how information can improve the performance.

2.2.1.6 Teamwork

In the human resource management, an extensive research work conducted in the field of employee satisfaction supported the conjecture that employees derive their satisfaction from effective social relations with their co-workers. Rather, it has been emphasized that socializing with co-workers is the main source of employees' job

satisfaction. In fact, Teamwork relationships contribute to socializing the environment either for work-related or non-work-related matters in a way solidify the relationship between employees. The social interaction as a natural consequence of the team environment helps in establishing a cohesive work community. Despite the fact that teamwork spirit can enhance the level of employee satisfaction and subsequently productivity, it can produce the opposite results if not managed well.

It was argued by James (1996) that the level of satisfaction of employees working in a team is very important since it affects their job performance. Therefore, identifying the factors determining the level of job satisfaction is believed to be of great value for organizations to maintain and raise the level of employee satisfaction. As suggested by Patel and Cardon (2010), in a group work environment, leadership behavior and HRM practices are seen to be critical factors to increase the level of employee satisfaction.

By and large, in the literature there have been many studies (Arvey et al., 1989; Ezzedeen, 2003; Griffin, 2001; Gu & Siu, 2009; Gunlu et al., 2010; McCain et al., 2010; Oshagbemi, 2000; Ryu et al., 2010; Spector, 1997) that investigated the factors affecting job satisfaction. These factors are employment status (permanent, temporary), employment duration, location of the organization, the work nature, employment position, promotion and skills enhancing opportunities, self-development opportunity , leadership styles, co-worker relations, benefits and job security, high level of involvement, organizational culture, organizational support, employee empowerment, physical conditions, and other demographic factors as age, gender, marital status, and level of education.

2.2.2 Theories of Job Satisfaction

Job satisfaction is defined as the employee's feeling and his psychological state towards work. In other words, it is the people feelings and attitude they have about their jobs and organizations as well. The elements of any job mainly include some aspects related to pay, promotion, benefits, work nature, supervision, and co-worker relationship (Mosadeghard, 2003). In the literature of human resource, there have been many theories explaining the employee job satisfaction construct and the its influential factors. However, in the following, this study elucidated briefly some of the relevant theories.

2.2.2.1 Fulfillment Theory

Schaffer (1953) and Vroom (1964) defined the fulfillment theory in terms of needs and valences. Schaffer (1953) stated that the level of job satisfaction is strongly related to the individual need satisfaction. Moreover, Vroom (1964) stated that if we consider an individual as satisfied with an object, it means that the object is with a positive valence for him.

2.2.2.2 Discrepancy Theory

The discrepany theory is based on the assumption that different people have different desires. It was, therefore, argued by Lawler (1994) that the compensation recieved by the person should be compared to his/her level of outcomes. In addition to that, as argued by Katzell (1964) that if an individual has a strong desire to the outcome, he/ she will be less satisfied with a discrepancy. Generally, Locke (1969) claimed that the level of job satisfaction and dissatisfaction can be determined by the difference between the individual wants and what is being offered by his/her job.

2.2.2.3 Equity Theory

The main assumption of the equity theory is that the satisfaction is determined by the individuals perception of the input-output balance (Adam, 1963;1965). In addition, Lawler (1994) considered this theory as a motivation theory that gives information regarding the causes of satisfaction and dissatisfaction. Moreover, it was also argued by Lawler (1994) that employees judge their input-output balance in comparison with other employee balance and this , in turn, determine their level of satisfaction.

2.2.3.4 Herzberg's Two-Factor Theory

This theory is one of the main theories of job satisfaction. Essentially, it asserts that the employee job satisfaction can be determined by intrinsic and extrinsic factors of the job. In other words, Herzberg's dual factor theory was the result of his study conducted to measure the attitude of employees towards their jobs. Specifically, Herzberg, Maunser, and Snyderman (1959) developed two categories of factors that affect the employees attitude. The first category caused happy feelings and good attitude whereas the other is task-related.

The first category he called them as motivators (job factors) that includes recognition, achievement, growth opportunities, advancements, the work itself, and responsibilities. However, the second category named as the hygiene factors (extra-job factors) and includes salary, interpersonal relations with supervisors, subordinates, and peers, the administration policies of a company, job security, personal life-related factors, and the work conditions. Clearly, while the motivators are the intrinsic factors within the work itself, the hygiene factors are the external factors that affect the employees' attitude.

So far, this chapter provided discussion related to the employee job satisfaction. In the next sections, this study was devoted to further the discussion related to the other variables of the study. More specifically, following sections are meant to highlight previous empirical studies that have been conducted to examine the direct and indirect influence of psychological empowerment on job satisfaction.

In summary, the focus of this study was examine the effect of Psychological empowerment and transformational leadership on employee job satisfaction using the data collected from the employees of Islamic banks in Yemen.

2.3   EMPLOYEE PSYCHOLOGICAL EMPOWERMENT (PE)

2.3.1   Historical Overview

Psychological empowerment (PE) in the workplace has been a focus on scholar as well as practical attention since the 1960s due to the civil rights movements. It is the social action process pertaining to an individuals, groups, or organizations to reflect their perceived possession of control over some situational factors in the work environment (Spreitzer & Doneson, 2007). As posited by Maslow's (1971) theory of self-actualization, an individual who is self-actualized is empowered to the fullest capability based on the percieved level of life control. As a results of that, if the employee could not achieve self-actualization will have limited positive performance. In general, unhealthy societies normally resulted in unhealthy people.

As argued by Maslow (1971), people in general have an intrinsic need to have self-determination, autonomy, and hold responsibility to function healthly and grow constantly. It was also, argued that individuals within environment where their

personal goals are unachieveable and they are subject to the others' will, will have a decreasing self-esteem and self-worth.

In the early 1960s, Theory X organization has been presented by McGregor (1960). The main assumption of this theory is that the management rigidity and the constant supervision of the employees brought by the opposite effect. If employees are not having the autonomous, not trusted, and nonot involved in the decision making processes, unhealthy work environment and poor functioning willl be resulted. It was also argued by McGregor (1960) that authoritative supervision strategies impede the employees' learning and growth. Additionally, theories of psychological empowerment have implications for work environment since it encourages the positive culture and enhance the employees' job satisfaction.

2.3.2 Psychological Empowerment Definition

It has been widely known in the human resource management literature that empowerment has various definitions that all have implicit agreement regarding its nature. Albeit the agreement regarding the nature of the empowerment, there has been no fully agreed upon definition of empowerment (Peccei & Rosenthal, 2001). The close relation of employee empowerment to management techniques and instruments, such as motivation, job satisfaction, trust, communication, training and feedback, and delegation highlights the importance of examining the concept and its managerial implications from different perspectives. Researchers approach the psychological empowerment construct from different perspectives. For example, from the behavior and relationship perspective Hales and Klidas (1998) defined empowerment as sharing knowledge and the level of information and power with subordinates.

Conger and Kanungo (1988) related the empowerment, as a motivational concept, to self-efficacy and therefore defined empowerment as the improvement of the self-efficacy feeling of employees. Moreover, they argued that administrative implementation of the empowerment will not be enough alone since it makes up only a small portion of empowerment itself. To deeply define the concept, Thomas and Velthouse (1990) highlighted that the empowerment cannot be looked at as one dimensions since administrative implementations and the employees' perceptions should be taken into consideration. However, Thomas and Velthouse (1990) defined empowerment, as the internal motivation, based on four perceptive dimensions namely sense, competence, choice, and impact. Spreitzer (1995), however, incorporated these dimensions in defining the empowerment construct.

Undeniably, both managers and researchers in the management field regard the employees as the main source of competitive advantage and subsequently their empowerment and involvement are the key success factor of any organization (Siegall & Gardner, 2000). In addition to that, many studies supported the role of employee empowerment in enhancing the organizational commitment (Han, Moon, & Yun, 2009; Spreitzer & Mishra, 2002), motivation (Caudron, 1995), performance (Sigler & Pearson, 2000) and customer satisfaction (Chebat & Kollias, 2000).

2.3.3 Empowerment Perspectives

The extant literature of management research has focused , according to Spreitzer and Doneson (2007), on three theoretical perspectives to understand empowerment. The three perspectives are : social-structural, psychological, and critical. The focus of the social-structural perspective is on the power and control that one has over the resources in an organization (Conger & Kanungo, 1988). In other

words, the employee empowerment is based on the amount of delegation of responsibility occurs on the organization. Also, the employee is empowered to the extent an organization distributes the power, knowledge, and rewards (Bowen & Lawler, 1995).

However, the employees' sense of empowerment is attributed to the structure of the jobs, participation in decision-making processes, enhancing he supervisor-supervisee relationship, and the quality of the collaboration of peers in the work environment (Varekamp *et al*., 2006). Therefore, empowerment enhancing programs are effective in enhancing the employees' job satisfaction and reduce the rate of turnover (Varekamp et al., 2006). From a theoretical perspective, the social exchange theory and the social power theory are the basis of the social-structural perspective on empowerment (Spreitzer & Doneson, 2007).

On the other hand, the psychological perspective of empowerment is based on the psychological factors that result on the feelings that individuals have control over their personal lives. The developed self-efficacy can be achieved through the motivation and belief in one's own capability to perform the intended tasks (Conger & Kanungo, 1988). Based on the motivation of empowered employees and the individuals' perception of the work, Thomas and Velthouse (1990) considered empowerment as a multidimensional construct comprised meaningfulness, competence, self-determination, and impact.

However, the critical perspective of empowerment has its roots in the post-modern theory and deconstructionism (Spreitzer & Doneson, 2007). It assumed that employees who are not the owner of an organization are not empowered due to the

hierarchical structure of that organization. That is, the power in an organization is not in the employees' hand, but rather with the top management individuals.

2.3.4 The Psychological Empowerment Process

The Bandura's (1977) theory of behavioral change has been refered to in the presence of self-efficacy. In fact, Psychological empowerment as a process is resulted from the individual's percieved level of self-efficacy. Therefore, the feeling of powerlessness that an individual has is a function of the belief that the individual has regarding his/her ability to cope with various daily life situations. Based on the behavioral change theory, an individual is empowered when his/her self-efficacy enhanced (Bandura, 1977). That is, the greater the percieved personal efficacy, the greater the ability of the person to excel in different situations.

The existant research on psychological empowerment confirmed that the process of psychological empowerment can facilitate organizational change initiatives and help to improve the overall organizational performance in very competitive enviornment (Molm, 1990). In a dynamic organizational enviornment, if the autonomy is limited, the innovation is inhibited, and the organizational structure is always changing, the psychological empowerment process experience alot of disruption (Kanter, 1977).

2.3.5 Psychological Empowerment Constructs

The psychological empowerment construct has been derived from the constructs of power and control (Conger & Kanungo, 1988). The power is interprated In social exchange theory (Blau, 1964; Emerson, 1962; Homans) as the dependence and interdependence between the players. The power is based on the contingency of

the level of performance of the actor and is the result of the behavioral responses of others. In the literature, the primary source of power of an individual over others is based on the job position, personal attributes, his/her expertise, or the opportunity to access to special information (French & Raven, 1959).

In the literature of human resource management, psychological empowerment as looked at as the relational construct related to the power of control excercised by individuals over the resources. Moreover, psychological empowerment is determined by the extent to which the managers share the power with their subordinate by making available organizational resources (Burke, 1986). In addition, the level of autonomy and the distributed decision-making power in an organization indicate the extent to which the employees are empowered.

As a motivational construct, Psychological empowerment is presented in the psychological literature as individuals possess the need to control various life events. Individuals have the need to have a control power with which they can control others, ideas, and actions (McClelland & Burnham, 1976). In general, the power as a motivational force is reflected in the individual's belief that he/she possesses the skills and resources to be self-eficacious. Therefore, the main purpose of effective management strategies should be to strengthen the self-efficacy of the employee.

The literature of empowerment has acknowledged the effect of the quality of relationship between supervisors and supervisee in determining the overall performance of the subordinate (Jha & Nair, 2008). In other words, if employee is provided high support from the superior, he/ she will have high level of self-efficacy and psychological empowerment. As a result of that, in high self-efficacy business enviornment show high motivation and a positive perception of the work environment

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(Jha & Nair, 2008). Moreover, the perceived level of psychological empowerment can influence the trust developed by employees. If such trust has been developed, it fosters the innovative behavior of employees and increase their goal attainment and productivity. In addition to that, psychologically empowered employees can determine work roles, feel capable to successfully accomplish their tasks, influence the decision-making process in the workplace (Yukl & Becker, 2006). Also, employees with positive performance feedback were the ones who have high level of empowerment and engagement.

In brief, the psychological perspective of empowerment is mainly based on the psychological factors that cause the perception of individuals to feel control over their life sitaurions. The personal self-efficacy is achieved through the motivation that enhance the belief of own capability of individuals to perform their tasks (Conger & Kanungo, 1988). As posited by Thomas and Velthouse (1990), empowerment is as multidimensional construct comprised of meaningfulness, competence, choice, and impact.

2.3.5   The relationship between PE and Employee Job Satisfaction

In the human resource management literature, there has been an extensive research work related to the relationship between employee psychological empowerment and their satisfaction. For example, Hechanova *et al*. (2003) condcuted a study on Filipino service workers and their psychological empowerment. In their study, they found that psychological empowerment has a positive correlation with employees' job satisfaction and subsequently job performance.

In the same research stream, Chen and Chen (2008) conducted a study on Taiwan's state-owned enterprises, it was revealed that psychological empowerment

significantly mediates the relationship between the impact of change related to work redesign and organizational commitment. In relation to that, Bhatnagar (2005) carried out a study using the data from Indian managers, the findings of that study supported impact of psychological empowerment on the organizational commitment.

In general, employee empowerment is a broad concept incorporating various activities that if they are practiced according to its proper content they can enhance the level of employee satisfaction and job performance. Many studies strongly emphasized the significant relationship between psychological empowerment and job satisfaction (for example, Aryee & Chen, 2006; Hechanova, Alampay, &Franco, 2006; Kuo , Yin, & Li, 2007; Laschinger Finegan, Shamian, & Wilk, 2004; Spreitzer , Kizilos, & Nason, 1997).

Recently, Pelit *et al*. (2011) examined the effect of empowerment on employee job satisfaction. In their study they studied the effect of psychological and behavioral dimensions of empowerment on the level of employee job satisfaction. For that purpose, they studied the sample of 1854 employees working for five-star hotels in Turkey. Analyzing the data using correlation and regression analysis, the findings of their study supported the positive effect of both empowerment dimensions on the employee job satisfaction.

2.4   LEADERSHIP

Due to the crucial role of leaders in facilitating the organizational effectiveness, the leadership concept has been gaining an increasing attention of researchers in many fields including management, psychology, sociology, and anthropology in the last century. Moreover, due to the role of leaders in creating a healthy environment to achieve organizational goals, employees' job satisfaction is

considered as one of the organizational effectiveness measures (Robbins, 2009).
Because of the main role of leaders in enhancing the level of employees' job
satisfaction, this study aimed to examine the effect of transformational leadership
style on job satisfaction amongst employees at work.

Different scholars defined the concept of leadership differently in terms of the
emphasis on leader's competencies, traits, influence, cognitive vs. emotional
orientations, and individual vs. Group orientation. To conceptually understand the
construct of leadership, it is reasonable to brief the leadership theories as provided in
the following sections.

2.4.1   Traits Theory of Leadership

Traits theory is one of the primary and important theories that attempted to
identify the properties of leadership effectiveness. However, it was carried out from
the late 1800s to the mid-1940s. According to the trait theory, there are specific traits
that determine the effectiveness of a leader as stated by Jerry, Gray, and Starke
(1984). The leaders' key success abilities are determined by certain physical, mental,
and personality characteristics.

The main assumptions of the trait theory are

 (a)   The features that characterize leaders are regarded as the criteria to define the
        successfulness of leadership;

 (b)   An effective leader inherits and learns his/her traits; and

 (c)   Leaders are born and not made.

To define the main features of leaders, Stogdill (1974) conducted a survey of
the studies between 1945 and 1970. His findings revealed that the leadership traits are
classified into six main types namely corporal traits, social background, intelligence,

capability, personality traits, relevant to task, and social features. Moreover, the results of his study showed that effective leaders have skills such as personality and social skills, managerial skills, technical skills, intellectual skills, being supportive for team work, and being defensive towards work.

In an attempt to test the traits theory, Gordon (1987) conducted a study to define the relationship between personality characteristics and leadership. His findings supported the existance of a significant relationship between the ability of taking responsibility and leadership. Moreover, the results found a weak but positive impact of intelligence, authority and intelligence, and leadership.

In an attempt to identify the differences between leaders and non-leaders in terms of traits and personalities, Beer *et al.* (1990) found that being serious, self-dependent, competent and confident, best decision-makers, and convincing in expressing thoughts are the most important traits. In addition to that, they revealed that leaders are to be able to take responsibilities, self-motivated, persuasive, and more diplomatic.

However, the traits theory of leadership even though is informative in highlighting the distinct features inherent in a person to be characterized as a leader, it was at the spot of criticisms. One of the major pitfalls of this theory is that it failed to develop a consistent model that characterizes the set of traits of the effective leader (Stephan, 1991).

Due to the above limitation, scholars developed a theory that explain leadership effectiveness by considering different types of behaviors exhibited by leaders that differentiate them from followers. The developed theory is called the behavioral theory of leadership as it is introduced briefly in the following.

2.4.2 Behavioral Theories of Leadership

This theory was a shift of paradigm in understanding leadership. However, it started from 1940s until early 1970s and concentrated on the behavior of the leaders rather than their traits. Therefore, in the view of this theory, researchers were dedicated to identify the various styles and behaviors of the effective leaders (Wu & Shiu, 2009). As in the case of traits theory of leadership, notwithstanding the numerous number of researches conducted to identify the effective styles adapted by effective leaders, there has been no agreement on one best leadership behavior that fits all situations.

In a broad sense, the behavioral theory of leadership concentrated more explaining and predicting the behavior of effective leaders. It is also believed by behavioral theorists that specifying the behaviors used by the successful leaders can help in teaching them and produce effective leaders accordingly. This approach is to concentrate on different styles at different situaions to give more emphases on works and employees.

By emphasizing on the work and employees, the behavior theory of leadership argues that a leader can be effective in enhancing employees' satisfaction and subsequently overall organizational performance (Kreitner, 1995). Under this approach, many studies have attempted to identify the leaders' behavior. Michigan studies and Ohio studies on leadership effectiveness have been some of the main studies based on which the leadership research could be discussed.

Michigan Studies that were conducted by Likert and other researchers extended the attention to two styles of leadership namely job-centered and employee-centered (Graen & Uhl-Bien, 1995). From employees-centered perspective, leaders to

achieve the overall organizational goals have to influence employees to achieve the maximum level of performance. To ensure high level of outputs, leaders are to supervise, reward, and establish good communications with their employees.in other words, all the employees' needs, growth, advancements are taken care of by their leaders and this, in turn, produce high level of employees' job satisfaction and subsequently organizational effectiveness.

Similarly, Ohio State University Studies concentrated on two sets of behaviors as the determinants of leadership effectiveness. These behaviors are initiating structure and consideration (Graen & Uhl-Bien, 1995). Initiating structure behavior of a leader involves that the leaders ensures that the work to be done in accordance with the job discription that specifically instruct employees how to perform their various jobs and what are they expected to achieve. On the other hand, a leader with consideration enhances the trust, friendship, and positive and of high quality relationship with the employees.

Notwithstanding the importance of both Michigan and Ohio studies in explaining the behaviors of leaders as different from followers' behavior, they failed to establish a model that significantly explain the relationship between leadership and organizational effectiveness measured via performance and satisfaction. The failure of the two groups of studies to explain this relationship is attributed to the fact that these studies ignored the effect of the situation in which leaders operate on their leadership behavior. Put simply, the behavior of leaders differe according to the situation, context, or the work environment. Therefore, leaders adjust their behavior as the work environment permits. Hence, these ideas were the premise of the contingency theory or situational theory of leadership as briefed in the following.

2.4.3   Contingency(Situational) Theories of Leadership

The main assumption of the contingency theory of leadership is that an effective leader define the appropriate leadership style in accordance with the situation. In general, these thepries argue that the leadership style of manager should take into consideration the following situations:

1. Characteristics of managers such as personality and competencies.

2. The personality, needs, and skills and experience of the employees.

3. Factors that affect groups such as stages of development, tasks, and structure.

4. The power, regulations, and speciality as organizational factors.

Based on these assumption two main models were developed to further explain the leadership effectiveness. For example, House (1971) used the theory of expectation to define the effective leadership. In doing that, he bound between leaders' behaviors and employees. Therefore, he emphasized that the effectiveness of behaviors of leaders depends on the effect of this behavior on the employees' satisfaction and performance. In fact, the influence of leaders on employees' motivation, satisfaction, and performance depends on the leaders' ability to facilitate the employees' goals achievement both internals and externals.

Nevertheless the importance of situational theory in defining the relationship between different situations and suitable leadership styles, this theory has recieved many critirues. For example, Feldman and Arnold (1983) asserted that there was no full agreement amongst researchers on situations that define effective leadership. Moreover, the existence of one leadership style does not guarantee its success in all situations.

Later, Fiedler (1976) developed his model in which he focused on leadership style and situational favorability for influence as two variables that define leadership effectiveness. Situation favorability refers to the degree to which the leader can influence the followers by combining leader-follower relationships, task structure, and power. As a result of that, the leadership effectiveness is identified by choosing the right leadership style that suits the situation. This interaction between the leadership style and the situation lead to the conclusion whether there is a good fit or not.

2.4.4   Transformational Leadership

2.4.4.1 Defining Transformational Leadership

Transformational leadership was initiated by Burns (1978) where it was defined as the ability of leaders to inspire, motivate, and influence the followers to achieve higher than the planned results. It has been widely acknowledged in the organizational literature that higher productivity, lower rate of employee turnover, higher level of job satisfaction, and higher motivation are immediate consequenses of transformational leadership more than any other leadership style (Masi & Cooke, 2000; Sparks & Schenk, 2001).

In the leadership literature, huge attention has been given to the transformational leadership theory and its relation to the organizational behaviors (Avolio, Bass, & Jung, 1999; Bass, 1985, 1995, 2000; Hackman & Johnson, 2004). Building on the work of Burns (1978), Bass (1985) presented the transformational leadership theory that measure transformation through the degree to which the leaders' affect the followers.Transformal leaders can acquire the trust, admire, and respect of their followers and motivate them to perform beyond expectations and transform both individuals and organizations (Bass, 1985; Keegan & Hartog, 2004).

Transformational leadership, according to Bass (1985, 1998) and Bass and Avolio (1994), is always studied through four elements of behavior. These elements are known as the four Is and includes individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence. As widely acknowledged in the literature, vision communication is the most important behavior of transformational leadership (Bass et al., 2003). In addition, transformational leader tries always to focus on goal attainment through enhancing the employees' self-confidence.

As emphasized earlier, transformational leadership enhances the employees' confidence to be effective players to the overall organizational effectiveness. Also, it promotes the development of critical and creative thinking skills and being responsible (Sosik, Godshalk, & Yammarino, 2004). In investigating the hierarchical impact of transformational leadership, Bruch and Walter (2007) noted that there was a difference between upper and lower managers. They concluded that there is a difference between different levels of responsibility. Moreover, it was found that the levels of motivation job satisfaction, commitment either increase or decrease in accordance with the level of self-efficacy of the follower.

2.4.4.2 Dimensions of Transformational Leadership

As suggested by Bass (1985), transformational leadership can be defined through the following dimensions

a) Idealized Influence (Attributes and Behaviors)

Idealized influence or the charisma is one of the most important elements of transformational leadership concept. It implies that these leaders, with transformational leadership style, are respected, admired, and trusted because of their

belief, values, and attitudes. These leaders, moreover, as seen by their followers as models or example due to the strong emotional attachments and personal identification between leaders and followers.

Charismatic leadership is posited by Bass (1985) to be the most important element of transformational leadership. Moreover, he believed that charisma of leaders is the vital driver of the transformational leadership process. As stated earlier, Waldman, Bass, and Yammarino (1990) asserted that charismatic leaders influence their employees through communicating the vision, tolerating risk, and challenging the employees' capabilities.

The phase of transformational leadership in which the leaders become role models for their followers is characterized by the situation in which leaders have personal characteristics and demonstrate moral behaviors that attract the follower (Kirkbride, 2006). Moreover, he stressed that trtransformational leaders operate as role models demonstrate unusual competence, celebrate achievements, and use their power to positively manage the business environment. As the influence process between leaders and followers is not automatic, Yukl (2006) suggested that both leaders and followers make attributions about each others' competence and intentions.

b) Inspirational Motivation

This element implies that leaders, with transformational leadership style, behave in ways that motivate their followers by providing meaning to their work and challenge their capabilities. These leaders focused on building team spirit through well- communicated vision that results in developing the followers' high-confidence, optimism, and enthusiasm to attain their goals.

Contributing to the same research stream, Antonakis *et al*. (2003) asserted that inspirational motivation provide the employees with the clear sense of purpose and subsequently increases the motivation. Additionally, it has been asserted that inspirational motivation approach of leaders helps employees to visualize the future picture of the organization and prevent the followers from wavering in the organizational change through providing information as to what needs to be done and why (Wu & Shiu , 2009).

As suggested by Kirkbride (2006), inspirationally motivating leaders have the ability to motivate their follower to acheieve higher performance by articulating the future picture that followers can strive towards. Hence, in hierarchical organization structure, leaders should be consistent by convincing their subordinates why they are asked to do things. Once employees believe the inconsistencies in the leaders' behaviors, they are more likely to lack the commitment and job satisfaction.

c) **Intellectual Stimulation**

Intellectual stimulation element implies that leaders always challenge the status quo by developing the creativity and innovation of the employees through questioning assumptions and reapproaching the old situations in new ways. According to this element, employees are encouraged to try new approaches and ideas. Moreover, both leaders and followers are urged to develop their capabilities to recognize, understand, and solve future problems.

Seltzer and Bass (1990) stressed that leaders should have the ability to stimulate learning and challenge the followers' intellectual capabilities by setting higher goals and targets. Intellectual stimulation, according to Bass (1985, 1990), results an innate confidence within the employees and this develop the leader. It has

been also argued by some researchers that followers' attitudes are positively correlated with the attitudes of the leaders over an extended period of time when they follow the transformational leadership style.

d) Individualized Consideration

This dimension refers to the attention paid by leaders to each individual's needs for growth and achievement. Moreover, leaders play the role of coaches and mentors to develop the individuals' potentials through identifying their individual uniqueness. In order to do that, leaders listen to the individuals and understand their strengths and weaknesses to be able to nourish their abilities and confidence.

As stated by Hater and Bass (1988), transformational leaders exert great strategies to maximize the influence on employees through enhancing motivation, satisfaction, and productivity. As a results, employees supervised by leaders showing high level of intellectual stimulation reported high levels of productivity and satisfaction. In other words, followers who are intellectually stimulated showed high level of confidence on their leaders and their expert power. This expert power produces the desire of followers to be intellectually astute.

According to Bass (1985), leaders are attentive to evaluate their followers and encourage them to excel within their current jobs to be able to hold future positions of high responsibilities. Moreover, as stressed by Bass and Avolio (1990), as the leaders focus on the unique characteristics of each follower, a high level of trust and enthusiasm from subordinates can be produced. As discussed by Bass et al. (2003), the level of individualized consideration depends on the experience of the employee. While less skilled employees should be given close supervision, more experienced should be given high level of autonomy and responsibility.

By and large, leaders who are more concerned about followers and their progress than about personal benefit will have more satisfied and productive followers.

2.4.4.3 Transformational leader

As defined by Bass (1990), transformational leader is the leader who can consider himself as the role model to gain the subordinates trust and higher their confidence to acheieve high level of set standards. More specifically, a transformational leader has a vision and is able to motivate employees, instill pride, solve problems, and promote their intelligence and critical thinking capabilities. Unlike transactional leader who motivate his followers by rewards and punishment, transformational leader motivate his employees by establishing personal relationship and inspirational motivation.

Generally, Hater and Bass (1988) asserted that due to the influence strategies implemented by transformational leaders, their followers reported great satisfaction, motivation, and productivity. In explaining the great influence possessed by transformational leaders over their subordinates, Kirkbride (2006) argued that inspirationally motivating leaders have always the abilities to encourage their followers to produce superior performance. Having the clear picture of the future by leaders enables the followers to strive to acheive it. In addition to that, leaders who exhibit certain personal characteristics in caring about their employees and their needs and growth opportunities, attract the followers to grow and achieve high performance profiles.

2.4.4.4 The relationship between the transformational leadership and Job Satisfaction

Leadership has been viewed as one of the main determinants of job satisfaction. It plays a significant role in directing the people and their social interaction in an influencing manner so that they could achieve their and organizational goals (Skansi, 2000). In several countries, there has been numerous research works that supported the positive correlation between leadership and the job satisfaction (Seo et al., 2004; Stordeur *et al*., 2000; Berson and Linton, 2005).

It has also been argued that the success and effectiveness of an organization depends mainly on managers and their leadership styles. By adopting appropriate leadership style, managers can enhance the employees' commitment, productivity, and job satisfaction. As viewed by Mosadeghrad (2003a), leadership style is a series of characteristics, managerial attitudes, behaviors, skills, leadership interests, and the reliability of employees in different situations. In other words, it is the ability of a leader to influence his/her employees to perform to their highest potentials. This theoretically, includes the extent to which leaders respect employees, operate honestly, promote efficiently, and establish good and fruitful communication channels with employees (Aronson *et al*., 2003).

Researchers have been attracted to do research work to identify good leaders and these efforts led to the development of leadership theory. Moreover, studies focused on studying various leadership behaviors and how they can help to influence employees for better organizational outcomes (Kreitner, 1995). Tracing the definition of leadership through the past few decades reveals that there has been a revolution started from classical approaches and culminated with creative and participative

approach. The ideas about leadership have changed significantly in the recent years. Ideas about management and leadership have changed considerably in recent years. In fact, the people are well-educated and more articulate and therefore should be more involved and have higher participation at work (Stewart, 1994).

As has been identified in the literature, there are various leadership styles such as autocratic, bureaucratic, laissez-faire, charismatic, democratic, participative, situational, transactional, and transformational leadership (Mosadeghrad 2003a). However, no one can claim that a specific leadership style can result in an effective form of organizational behavior. That is, no one cure for all diseases and, therefore, different situations need different leadership style and leaders should know when to exhibit a specific approach.

Based on the view of Bass's (1989) about leadership, it is suggested that transformational leadership might enhance the job satisfaction through the sense of intellectual stimulation. In addition to that, transformational leaders encourage their employees to take more responsibilities and autonomy that provide them with increased level of accomplishment and satisfaction. In the same research line, Judge and Piccolo (2004) conducted a meta-analysis and confirmed the positive influence of transformational leadership on employees' job satisfaction, motivation, and leader effectiveness. It is acknowledged that the characteristics of the context play a significant role in leadership effectiveness (Osborn, Hunt, & Jauch, 2002). Moreover, the task plays a significant role in motivation as once the task is completed, the employee compares the efforts and rewards with similar work situations.

In hierarchical organizations, powerful people exercise their power to influence others through formal authority, technical expertise, and cultural norms

(Mintzberg, 1983). According to Vredenburgh and Brender (1998), exercising the power could be abusive to the followers when the outcomes harm the dignity and affect the deserved rewards. It is even worse when employees perceive that there is an abuse of the power within their organization. That is to say, in an organization, the manager could keep the employees motivated and benefit from their full potential, if they perceive that he looks out for the interest for them.

As the transformational leaders focus on the development of their employees' capabilities, their employees extend their full efforts on doing their jobs as they have the sense that their needs are being taken care of by their superiors. Conversely, the employees under the transactional leadership approach might feel dissatisfied under the reward equity system. Masi and Cooke (2000) in their empirical research work; they compared the effect of both transformational and transactional leadership styles on the follower empowerment, motivation, and commitment to quality. Their findings revealed that while transformational leadership tends to motivate and empower the followers, transactional leadership tends to suppress followers outcome quality and productivity.

In the literature of human resource management and organizational behavior, there has been an enourmous number of studies conducted to examine the influence of leadership styles on employees' job satisfaction in the global context. For example, in a study conducted by Jabnoun and Al Rasasi (2005), the aim was to examine the effect of transformational and transactional leadership styles on employees' job satisfaction of hospitals in the UAE. The sample were colledted from six random hospitals to responde to set of items adopted from the Multifactor Leadership Questionnaire developed by Avolio and Bass (1991). The results indicated that

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employees that have leaders with high rate of charisma, intellectual stimulation, and individualized consideration were more satisfied than others. The results also showed that employees were also satisfied with the contingent reward of transactional leadership.

A Similar conclusion was drawn by Al-Hussami (2008) from his study on 192 nurses serving in four private hospitals in the south-eastern United States. His findings supported the positive relationship between transformational leadership style and the job satisfaction of the nurses. Moreover, according to his analysis, transformational leadership accounted for 80% of the variance of job satisfaction. In addition to that, the results indicated that the nurses were less satisfied with salary, work conditions, and organizational support.

Similarly, in a study conducted by Ramey (2002), he examined the impact of leadership styles on employees' job satisfaction amongst 7,190 nurses selected randomly many hospitals in Appalachian state. The findings of the study supported the existence of a significant positive relationship between transformational leadership style and employees' job satisfaction and a negative significant relationship between transactional leadership style and employees' job satisfaction. Moreover, the majority of the nurses preferred the transformational leadership styles over the transactional leadership style.

Using the data collected from 140 sport administrators in South Africa, Naidoo (2008) conducted aimed to examine the impact of leadership styles on job satisfaction. His findings revealed that the respondents were satisfied with transformational leadership style practiced by their superiors.

To identify the main factors affecting employees' job satisfaction, Mosadegh and Yarmohammadian (2006) carried out a study in Asfahan University Hospitals. The data of the study were collected from 814 employees and managers whom were randomly selected. The results indicated that employees were less satisfied with benefits and salaries, recognition and communication, and work conditions. However, the employees demonstrated more satisfaction on people-oriented leadership style practiced by managers.

In investigating the impact of task-oriented and people-oriented leadership styles on the employees job satisfaction, Bartolo and Furlonger (2000) carried out his study based on a random sample of 56 fire fighters in Victoria and New South Wales, Australia. However, the results revealed that there were positive correlations between the two styles of leadership and job satisfaction. In a similar study conducted by Lok and Crawford (2004) to find out the effect of task-oriented and people-oriented leadership styles on job satisfaction. The sample of their study consisted of 219 managers from Hong Kong and 118 from Australia. However, the results based on the combined sample showed that the task-oriented leadership style had a positive effect on job satisfaction contrasting the people-oriented leadership style that had a negative effect.

To find out the relationship between leadership styles and employees' job satisfaction, Leary, Sullivan, and McCartney (2002) conducted a study on a sample of 329 employees selected randomly from 11 public higher educational institutions in the state of West Virginia. For their study they utilized three questionnaires, namely, The Leadership Behavior Description Questionnaire (LBDQ) to measure task-oriented and relationship-oriented leadership styles, the Mohrman- Cooke-Mohrman Job Satisfaction

Scale (MCMJSS) to measure eight facets of employees' perceptions of intrinsic job satisfaction factors, and a demographic survey. Their findings indicated that there is a significant correlation between task-oriented and relationship-oriented leadership styles and employees' job satisfaction.

2.4.4.5 The moderating effect of transformational leadership on the relationship between psychological empowerment and job satisfaction

From the definition of transformational leadership, transformational leaders inspire their followers to be beyond their self-interests for the interests of their organization. In this way, Lowe, Kroeck, and Sivasubramanian (1996) claimed that many researchers noted that transformational leadership has a positive strong relationship with the work outcome such as job performance and satisfaction.

Many studies in the literature studied the relationship between transformational leadership and empowerment. For example, Özaralli (2002) studied the effects of transformational leadership on empowerment and team effectiveness from various industries in Turkey. The data for this study were collected from a sample of 152 employees from eight private Turkish organizations. The finding indicates that the transformational leadership has a positive relationship with the employees' empowerment.

In another study conducted by Bartram and Casimir (2007) to investigated the mediating effects of empoyees' empowerment and trust in the leader and the relationship between the transformational leadership style and followers' in-role performance and satisfaction. The findings of the study showed that the effect of transformational leadership style on the in-role performance was mediated by

psychological empowerment and trust in the leader. However, the effect of transformational leadership behavior on employees' satisfaction was found to be partially mediated by the trust in the leader.

In their study on the relationship between transformational leadership, empowerment and intention to quit, Avey *et al*. (2008) studied a sample of 341 working adults from Midwestern University. They used the structural equation modeling techniques to test for the relationship between transformational leadership and empowerment and for the mediating role of empowerment between transformational leadership and intention to quit. However, the results of their study supported that transformational leadership is significantly positively related with employees' empowerment. In the same way, the results also found that employees' empowerment mediated the relationship between transformational leadership and intention to quit.

Avolio *et al*. (2004) stated that empowering employees is the essence of transformational leadership in order to achieve the overall organizational goals. Hence, employees need to be empowered by their leaders and; moreover, encouraged to take brave initiatives, stimulate innovation, and cope with uncertainties (Spreitzer, 1995).

More importantly, transformational leadership enhances the followers' energy by providing them an exciting future vision rather than by adopting the reward and punishment system. Beyond that, transformational leaders inspire their followers and build their self-confidence by altering their aspirations, needs and values to be able to reach their full potentials. Also, through spreading out the spirit of team work, transformational leaders can high their followers' enthusiasm, optimism, integrity, high their moral standards, enhance their self-efficacy, and provide more challenging work

environment. In doing that, transformational leaders challenge their followers' values, beliefs, and minds to think about things in more creative ways and to take more responsibilities to perform their jobs and achieve higher level of satisfaction.

Despite the enormous number of studies examined the relationship between transformational leadership and psychological empowerment (Avey *et al*., 2008; Avolio *et al*. ,2004; Özaralli ,2002), the extent to which transformational leadership style practiced by managers can help empowered employees to be satisfied is still neglected. Therefore, this study aimed to bridge this gap in the literature by examining the moderating effect of transformational leadership style the relationship between empowerment and employees' satisfaction.

2.5   UNDERPINNING THEORY

2.5.1   Job satisfaction theory

In the literature of human resource management, there has been a variety of job satisfaction theories. One of the most important theory is Herzberg's theory which is well-known and commonly used theory to explain motivation and job satisfaction (Bassett-Jones & Lloyd, 2005).

As discussed earlier, Herzberg's two-factor theory of job satisfaction assumed that job satisfaction is a result of evaluation of job and surrounding made by people to form some kind of attitude toward the job. It is argued that people as rational being are able to make the judgement without being influenced by factor in the social environment.

2.5.2 Social Exchange Theory

As postulated by the Social exchange theory (SET), the power is related to the dependence and interdependence of the actors (Blau, 1964; Homans, 1961; Emerson, 1962; Thibaut & Kelley, 1959). In other words, Power and powerlessness are relationally based on the interactions between different parties (Hodson *et al.*, 2006). As argued by Thibaut and Kelley (1959), the behavioral performance of an individual is dependent on the response of another individual and this creates dynamic power dependency among various actors. However, this dependency is directed based on which actor is more dependent and this dependency determine the powerful and powerless individuals (Molm, 1990; Pfeffer, 1981).

However, the power imbalance represents the difference between the power dependencies amongst the actors. Using the structural power strategically permits the manipulation of the outcomes of the exchange. In making rewards and punishments contingent on the behavior and perceptions, power strategies should be cultivated and excercized so that the interaction of the social exchange can be controlled (Blau, 1964; Emerson, 1962; Molm, 1990). In addition, the outcomes of the power can be measured behaviorally over time as the mean to predict the relationships among structure, action, and outcomes (Homans, 1961; Molm, 1990).

2.5.3   Transformational leadership theory

Tracing the theoretical development of leadership, recent leadership approaches can be categorized into three categories, namely transformational, transactional and laissez-faire and all these categories are normally applied in organizational leadership study (Bogler, 2001; Erkulu, 2008, Heller, 1993; Jogulu & Wood, 2008; McKee, 1991; Tatum, Eberlin, Kottraba & Bradberry, 2003; Vigoda-

Gadot, 2007). Initially, the major work of Burns (1979) was on the theories of transactional and transformational leadership. Subsequently, Bass (1985) expanded the previous work to further develop the overall understanding of the initial concepts of transformational leadership.

As described by Burns (1978), transformational leadership was defined as a process that motivates followers by appealing to higher ideals and moral values in organizations. It was also said that the dynamics of transformational leadership involve strong personal identification with the leader, joining in a shared vision of future, or going beyond the self-exchange of rewards for compliance (Hater & Bass, 1988). Transformational leadership is thought of as a key in organizations' continuing success because of the importance of team cohesion, organizational commitment, and higher levels of job satisfaction (Avolio & Bass, 1999). Subsequently, transformational leaders are said to be elevate, motivate, define values, offer vision, and creatively produce reform in various circumstances and challenges (Burns, 1978), and they also integrate creative insight, persistence, energy, intuition, and sensitivity to the needs of others (Bass & Avolio, 1993).

According to the leadership literature, the transformational leadership construct comprises four components, namely intellectual stimulation, individualized consideration, inspirational motivation, and charisma (Bass & Avolio, 2000). While, McLaurin and Amri (2008) explained that transformational leadership involves motivating subordinates to shift beyond their own self-interests for the good of the group and the organization and view their task from the new perspectives. Further they added, transformational leader also shows some other key behaviors such as role modeling, establishing vision and creating the value and norms clear to all. John and

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Moser (2001) argued that transformational leader acts as a change agent who is skilled to manage the unpredictable situation at the workplace.

Anatonakis *et al.* (2003) explained that transformational leadership can be categorized into idealized influence, inspirational motivation, idealized influence behaviors, intellectual stimulation and individualized consideration. Idealized influence qualities refer to the leader's personality whether he/she is recognized as powerful and confident while the idealized influence behavior refers to the leader's charismatic actions that are emphasized on beliefs, values, and principles. Inspirational motivation refers the behaviors of the leaders that motivate followers to view the future optimistically, stress on the team spirit, project idealized vision and communicate a vision that is achievable.

Regarding the intellectual stimulation, leaders stimulate innovation and creativity to their followers by questioning old assumptions and approaches, and introduce new ways. Individualized consideration describes the situation where the leader acts as a mentor in order to promote achievement and growth in the organization. Tucker and Russell (2004) asserted that transformational leaders have an influence on organizations. The leaders bring change and development in the organizations. The outstanding leaders often employ power and authority to motivate and inspire followers to trust them. Transformational leaders often change the existing structure and encourage the followers to accept new vision and new opportunities. The authors added, the negative of the leaders powerful influence, require both leaders and organization to uphold high accountability to ensure the leaders do not cross the boundaries.

2.6   SUMMARY

This chapter presented a literature review related to employees' psychological empowerment, transformational leadership, and employees' job satisfaction. Moreover, this chapter reviewed the literature regarding the relationship among the variable of the study and how the gap of the study has been established. In addition to that, the underpinning theories of the study have been discussed and it was highlighted why transformational leadership theory was suitable to the purpose of this study. However, the following chapter describes the methodological aspect of the study and the development of the hypotheses that meant to be tested.

CHAPTER THREE

METHODOLOGY

3.1   INTRODUCTION

This chapter presents the methodological aspects of this study. It is devoted to develop the hypotheses of the study and explaining the measurements used. Besides that, it outlines the research design, the population of the study, and the sampling procedures. This chapter, in addition to that, explains the data collection procedures and concludes with a brief description of the statistical data analysis techniques.

3.2`   RESEARCH FRAMEWORK

This study aimed to investigate the moderating effect of the transformational leadership on the relationship between employees' psychological empowerment and the employees' job satisfaction. Based on the literature review and research problem and towards achieving the objectives of the study, the following research frame work has been developed. However, the research framework of this study is illustrated in Figure 3.1 in the following.

Independent Variable   **Moderating variable**   **Dependent Variable**

Employee Psychological Empowerment		**Employee Job Satisfaction**

Transformational Leadership
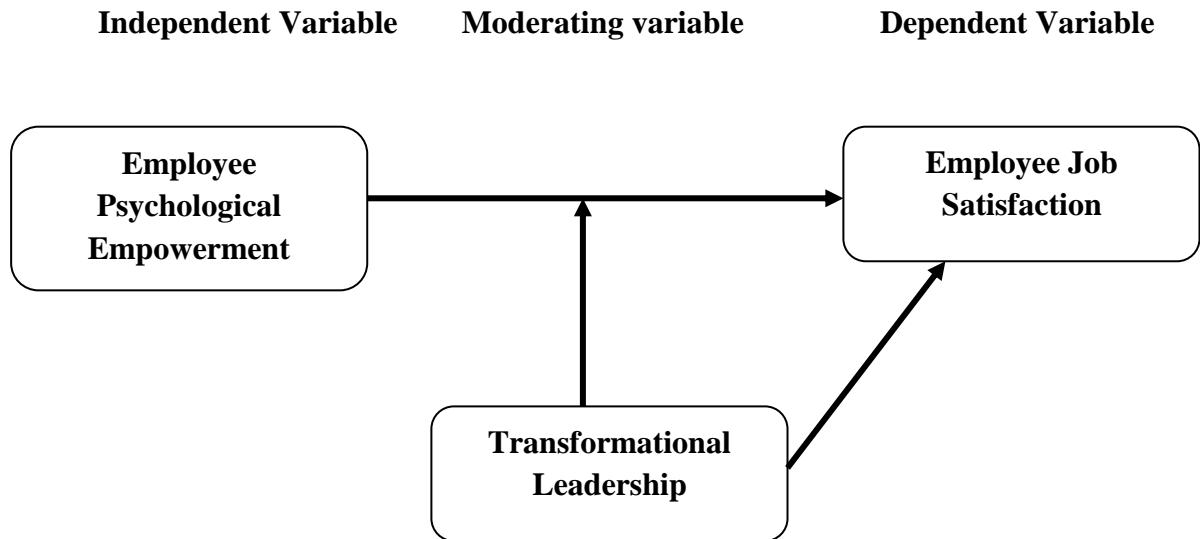
Figure 3.1

Research Framework

3.3   HYPOTHESES DEVELOPMENT

3.3.1   Psychological empowerment and employee job satisfaction

In the literature of human resource management, many studies into psychological empowerment (Hechanova *et al*., 2006; Laschinger *et al*., 2004; Spreitzer, 1995; Spreitzer *et al*., 1997) paid a great attention to the construct of job satisfaction. Moreover, studies on psychological empowerment (Conger & Kanungo, 1988; Spreitzer, 1995; Thomas & Velthouse, 1990) always raised the question regarding the impact of psychological empowerment on job satisfaction. Spreitzer (1995) in her research revealed that empowerment was predicted by many other factors such as self-esteem, locus of control, and the information available. In addition to that, Spreitzer, Kizilos, and Nason (1997) found that while empowerment has a positive

relationship with employees' satisfaction it has a negative relationship with strain at work.

In a more recent study, Seibert, Silver, and Randolph (2004) stated that job satisfaction is an important outcome of employees' psychological empowerment. They argue that the employees will be more satisfied if they know their jobs' values and can determine about the procedures of their jobs. Moreover, the more employees feel that they are competent and their jobs influence the organization, the more they feel satisfied with their job.

To examine the impact of the empowerment on the job satisfaction, Savery and Luks (2001) used the data collected by the Commonwealth Department of Industrial Relations and these data are known as the 1995 Australian Workplace Industrial Relations Survey. Their results seemed that it support the positives impact of empowerment on employees satisfaction. It also revealed that in an organization where employees feel that they are empowered and have influence over their work, they will show more productivity and then satisfaction.

Similarly, Holdsworth and Cartwright (2003) tried to explore the relationship between employees' empowerment and employees' satisfaction. The data were collected from a sample of 49 employees from a North West call center in the UK. The results; however, show that there is a positive relationship between empowerment and job satisfaction. Moreover, the study also shows that amongst the four dimensions of empowerment, self-determination or the employee's feeling of autonomy has the strongest relationship with empowerment.

Bordin, Bartram, and Casimir (2007) studied the antecedents and consequences of psychological empowerment among IT employees in Singapore. They collected their data from 99 employees from American multinational organization. They used OLS to test for the hypotheses regarding the relationship between empowerment and job satisfaction after controlling for employees age and number of dependenst. However, their results showed that there is a positive significant relationship between empowerment and job satisfaction. Moreover, it has been found that the supervisory social support moderated the relationship between empowerment and job satisfaction. Further, the data was split into two groups to examine the moderating effect more accurately. It has been found that the relationship between empowerment and job satisfaction is stronger for high supervisory social group.

From this perspective, the following hypothesis was developed to be empirically tested.

> **H1:** *Employees Psychological Empowerment (EPE) has a significant effect on the Employees' Job Satisfaction (EJS).*

3.3.2 Transformational leadership and employees' job satisfaction

As widely discussed in the literature, transformational leaders pay great attention to develop their employees' capabilities and to extend their efforts in doing jobs while taking care of their needs and goals. Due to its nature in promoting the employees' satisfaction, transformational leadership construct has been studied, by many researchers such as Masi and Cooks (2000), Jabnoun and Al Rasasi (2005), Avolio and Bass (1991), Al-Hussami (2008), and Ramey (2002), as one of the main determinants of the employees' job satisfaction.

For example, Ramey (2002) conducted a study to examin the impact of leadership styles on employees' job satisfaction amongst 7,190 nurses selected randomly many hospitals in Appalachian state. His supported a significant positive relationship between transformational leadership style and employees' job satisfaction and a negative significant relationship between transactional leadership style and employees' job satisfaction. Furthermore, the majority of the nurses preferred the transformational leadership styles over the transactional leadership style.

Additionally, in their empirical research, Jabnoun and Al Rasasi (2005) aimed to examine the effect of transformational and transactional leadership styles on employees' job satisfaction of hospitals in the UAE. They collected their sample of the study from six hospitals and used items adopted from the Multifactor Leadership Questionnaire (Avolio & Bass, 1991). The findings of the study revealed that idealized influence (charisma), intellectual stimulation, and individualized consideration impacted significantly the employees' job satisfaction.

A Similar conclusion was drawn by Al-Hussami's (2008) study on 192 nurses from four private hospitals in the south-eastern United States. The findings of his study supported the positive relationship between transformational leadership style and the job satisfaction of the nurses. Moreover, it was found that transformational leadership accounted for 80% of the variance of job satisfaction.

Using the data collected from 140 sport administrators in South Africa, Naidoo (2008) conducted a study to examine the impact of leadership styles on job satisfaction. He found that respondents were satisfied with transformational leadership style practiced by their superiors. According to the previous arguments, the following hypothesis was introduced to be empirically tested.

*H2: Transformational leadership has a significant effect on the Employees'
Job Satisfaction (EJS).*

3.3.3 Transformational leadership as a moderating effect on the relationship between psychological empowerment and Job satisfaction

A review of the literatures revealed that many researchers have confirmed the direct effect of leadership styles on employees' job satisfaction. Further, it was argued that the leadership style chosen by a leader enhances the level of employees' satisfaction. More specifically, researchers such as Jabnoun and Al-Rasasi (2005), Al-Hussami (2008), and Mosadegh and Yarmohammadian (2006) carried out studies to examine the effect of leadership styles on employees' job satisfaction. Their findings indicated the existence of positive relationship between some leadership styles such as transformational, task oriented, and people-oriented styles and employees' job satisfaction.

As documented by Markow and Klenke (2005) and Milliman *et al.* (2003), leadership style is the major determinant to enhance the employees' productivity, efficiency, satisfaction, and loyalty and subsequently reduces the turn over intention. These findings are consistent with the above presented arguement saying the the effective leader is the one who is able to lead, motivate, influence, and effectively communicate the vision, and enhance the employees' job satisfaction.

As found by Fiedler (1976), the effectiveness of leadership is identified by choosing the right leadership style for certain situations. Therefore, the effectiveness of the individuals and groups is fully dependent on the continuous interaction between the leadership style and the situation in which it is applied. In addition to that, House (1971) tried to find the tie between leaders' behaviors and the actuality and

satisfaction of employees. He emphasized that the effectiveness of the leader depends fully on the effect of the leader's behaviors on the employees' actuality and satisfaction.

In a similar arguement, Bass (1990) argued that the effectiveness of a leader depends on his role in setting high standards of behavior and his being as a role model who can gain the trust and confidence of his subordinates. In other words, an effective leader has a special vision and encourage and motivate his employees, promote intellegence and problem solving capabilities, and gain their trust and respect. Therefore, based on the arguements of House (1971) and Bass (1990), it can be concluded that the influence of the leaders' behaviors on employees' motivation, performance, and satisfaction depends on the ability of such behaviors to clearing the path and successfully transfor the vision towards achieving the employees' as well as the organization goals.

Thus, a transformational leader is expected to be more effective in enhancing the employees' feeling of satisfaction through helping them to use all their resources and empowerment to reach high standards of performance. Hence the following hypothesis was introduced to be empirically tested:

H3: Transformational leadership moderates the relationship between Employees Psychological Empowerment (EPE) and Employees' Job Satisfaction (EJS).

3.4   RESEARCH DESIGN

Originally, the purpose of this study was to examine the moderating effect of transformational leadership on the relationship between psychological empowerment and job satisfaction. To achieve this goal, this study utilizes the quantitative research

design through a survey questionnaire method. The purpose of a survey questionnaire research design is to explain a phenomenon or to examine the reasons for a particular activity (Zikmund, 2003). Apart from being less expensive, this research design allows the researcher to collect the data from many respondents, measure many variables, and test multiple hypotheses (Neuman, 1997).

3.6 POPULATION AND SAMPLING

The population of this study consisted of all the employees of Islamic banks in Sana'a, the capital of Yemen where the biggest number of Islamic banks' branches is located. In general, the population of the study consists of the employees in the Islamic bank branches in Sana'a as tabulated in Table 3.1 below.

Table 3.1

Population and the sample of the study

Bank	No of branches	No of employees	Questionnaires Distributed	Usable returned Questionnaires
Tadhamoon International Islamic Bank	7	115	85	71
Saba Islamic Bank	5	75	57	47
Yemen Bahrain Shamil Bank	4	50	40	30
Islamic bank for Development and Financing	2	20	20	12
Total		260	202	160

3.7 DATA COLLECTION METHOD

The data for the study were collected using self-administrated survey questionnaires. The questionnaires were distributed by two research assistants in

Sana'a where the majority of Islamic banks are located. More specifically, questionnaires were distributed to employees in the four banks, namely Tadhamoon Islamic International bank, Saba Islamic bank, Islamic bank for Development and Investment, and Shamil bank of Yemen and Bahrain. As recommended by Sekeren (2003), to have a good representative sample of our population, 260 employees, our sample should consist of 160 sample units. In order to be able to get that number, a total number of 202 questionnaires were distributed. Out of 202, 170 questionnaires were returned of which 160 questionnaires were used for the study.

3.8   MEASUREMENTS OF THE VARIABLES

3.8.1   Employees' Job Satisfaction (EJS)

Employees' job satisfaction construct was measured using the 9-item Likert scale measure of Spector (1985). This measure focuses in measuring the level of satisfaction of employees regarding the pay, promotion, work, supervisor, and co-workers. The items used in this study are illustrated in Table 3.1 as follows.

Table 3. 2

Items used to measure EJS

No	Item
1	I feel I am being paid a fair amount for the work I do.
2	I feel satisfied with my chances for salary increases
3	I enjoy my coworkers
4	I am satisfied with my chances for promotion.
5	When I do a good job, I receive the recognition for it that I should receive.
6	My job is enjoyable.
7	I like the people I work with.

No	Item
8	I like my supervisor.
9	Communications seem good within this organization.

3.8.2 Employees' Psychological Empowerment (EPE)

Employees' psychological empowerment was measured using 12-item Likert scale adopted from Spreitzer (1995). This measure focuses on the perception of employees regarding the four dimensions of psychological empowerment, namely, meaningfulness, competence, self-determination, and impact. Table 3.2 reported the items used to measure these dimensions.

Table 3.3

Items used to measure psychological empowerment

No	Item
1	The work I do is very important to me.
2	My job activities are personally meaningful to me.
3	The work I do is meaning to me
4	I am confident about my ability to do my job.
5	I am self-assured about my capabilities to perform my work activities.
6	I have mastered the skills necessary for my job.
7	I have significant autonomy in determining how I do my job.
8	I can decide on my own how to go about doing my work.
9	I have considerable opportunity for independence and freedom in how I do my job.
10	My impact on what happens in my department is large.
11	I have a great deal of control over what happens in my department.
12	I have significant influence over what happens in my department.

3.8.3 Transformational Leadership (TL)

To measure the transformational leadership practiced by managers in the Yemeni banking industry, 15-item Likert scale measure was used with items adopted from Rafferty and Griffin (2004). This measure was originally designed to measure the four dimensions of the construct, namely, idealized influence; inspirational motivation; intellectual stimulation; and individualized consideration. However, Table 3.3 illustrates the items employed by the study to measure the construct.

Table 3.4

Items used to measure transformational leadership

No	Item
1	Has a clear understanding of where we are going.
2	Has a clear sense of where he/she wants our unit to be in 5 years.
3	Has no idea where the organization is going
4	Says things that make employees proud to be a part of this organization.
5	Shows respect for my personal feelings.
6	Encourages people to see changing environments as situation full of opportunities
7	Challenges me to think about old problems in new ways.
8	Has ideas that have forced me to rethink some things that I have never questioned before.
9	Has challenged me to rethink some of my basic assumptions about my work
10	Considers my personal feelings before acting.
11	Behaves in a manner which is thoughtful of my personal needs.
12	Sees that the interests of employees are given due consideration.
13	Commends me when I do a better than average Job.
14	Acknowledges improvement in my quality of Work.
15	Personally compliments me when I do outstanding work.

3.9   QUESTIONNAIRE DESIGN

This study used 5-point Likert scale to get the perceptions of the respondents regarding the statements. As with other studies, Likert scale was used due to its easy construction, appealing design, adaptability and relative reliability (Babbie, 1990; Nunnaly, 1978). In a Likert scale, researchers are able to solicit answers about given statements since the respondents are to choose among the given options through a set of response keys. This study utilized the Likert scale with five points as given in the questionnaire. These options were strongly disagree, disagree, neither agree nor disagree, agree and strongly agree.

More specifically, the questionnaire of the study had four sections. The first section meant to measure the employees perceptions regarding the level of psychological empowerment provided to them. However, the second section measured the transformational leadership practiced by the employees' supervisors. Employees' job satisfaction was measured in through the questions in section three whereas section four was to get some demographic information about the employees.

3.10   DATA ANALYSIS PROCEDURES

Data for the study were analyzed using SPSS 16.0 for windows. Analysis of the data involved four main stages, namely

1. Goodness of the measure through reliability and validity analysis.

To establish the goodness of the measure, reliability analysis was used to measure the internal consistency of items meant to represent each construct. Cronbach's Alpha statistic was used to indicate the level of internal consistency. The closer is the Cronbach's Alpha measure to 1.0; the higher is the internal consistency and reliability (Hair *et al*., 2010). According to Hair *et al*. (2010), for a set of items to

have an acceptable level of internal consistency and reliability, Cronbach's alpha should be higher than 0.7. However, a value of 0.6 for Cronbach's alpha is considered to be the minimum level of acceptable reliability.

2. Descriptive Analysis

The first step in performing the statistical analysis is to get the initial statistics related to the variables. That is, descriptive statistics summarize quantitatively the variables of the study. More specifically, descriptive analysis involves describing the mean, median, response rate as well as useable rate. In this part, data were distributed based on the demographic variables. The objective of frequency distribution was count the number of responses associated with different values of one variable expressed in terms of percentage.

3. Preparing Data for Multivariate Analysis

This part of the analysis focused on testing the assumption of mulitivariate analysis and factor analysis. Specifically, this part involved the following procedures:

a) Skewness, Kurtosis and normality assessment.

b) Outlier detection through Mahalanobis distance analysis.

c) Linearity and homoscedasticity testing through scatterplot.

d) Multicolinearity detection through Variance Inflation Factor (VIF)

4. Hypotheses Testing Procedures

Hypotheses testing were performed by using two statistical procedures, namely:

(a) Pearson Correlation and (b) Multiple Regression.

(a) Pearson Correlation

To examine the statistical associative relationship between two variables, Pearson

correlation coefficient was used. Although the hypotheses of this study is to study the effect of psychological empowerment on the job satisfaction and how this relationship has been moderated by the transformational leadership, Pearson correlation is still considered important in showing the associative relationship between two variables in the phase of initial analysis. Davis (1971) suggested the the strong association between two variables according to the Pearson correlation can be judged to be one of the categories shown in Table 4.1:

Table 3.5

The strength of correlation relationship

Correlation Coefficient	Strength of the relationship
Above 0.70	Very strong relationship
0.50 – 0.69	Strong relationship
0.30 -0.49	Moderate relationship
0.10 - 0.29	Low relationship
0.01 – 0.09	Very low relationship

(b) Multiple Linear Regressions

Multiple linear regressions is a statistical procedures to test for the causal relationship between a single dependent variable and one or more independent variables (Hair *et al*., 2010). Using the R^2 statistic, one can measure to which extent independent variables can predict the dependent variable. Put simply, R^2 statistic indicats the variance in the dependent variable that is explained by the independent variables. Since the main purpose of this study is to examine the moderating effect of transformational leadership on the relationship between employees psychological empowerment and employees' job satisfaction, hierarchical regression

analysis was employed to examine the significance of the interaction terms.

In the literature of multivariate statiscal analysis sample size was acknowledged to have a direct impact on the statistical power of multiple regressions. The desired ratio level is between 15 to 20 observations for each independent variable. However, it is suggested by Hair *et al.* (2010), that the minimum ratio is 5 to 1, meaning that there must be five observations for each independent variable. More importantly, four assumptions must be met before undertaking the regression analysis, namely linearity, heteroscedasticity, normality and no serious multicollinearity problem, independence of residual (Hair *et al*., 2010).

3.11   SUMMARY

This chapter discussed the research methodology employed in the study. Specifically, it discussed the research framework and the research design of the study. Moreover, in this chapter, the hypotheses of the study have been developed based on the literature and the identified theoretical gap. In addition to that, it discrbes the population and the sampling procedures utilized as well as the measurements of the variable undertaken in the study. Also, it summarized the statistical techniques that were used for data analysis. The following chapter summarized the findings of the data analysis procedures.

CHAPTER 4

RESEARCH FINDINGS

4.1 INTRODUCTION

This chapter outlines the findings of the study as obtained from the data analysis procedures. More specifically, this chapter presents the goodness of the measure used through the reliability and validity analysis. As this chapter presents that the measure of the study was valid and reliable, this chapter presents the data preparation for multivariate analysis and hypotheses testing procedures. Based on the results of the factor analysis, this chapter restates the hypotheses of the study that were further tested. This chapter is divided into various parts including overview of data collected, profile of respondents, goodness of measure, descriptive analysis, hierarchical regression results ans the summary of the findings.

5.3 GOODNESS OF MEASURE

To test for the goodness of the measure used for this study, reliability using cronbach's alpha and validity using factor analysis were employed as explained in the following sections.

5.3.1 Reliability analysis

To test the internal consistency of the items used to measure each construct, Cronbach's alpha coefficient was used. As suggested by Hair *et al*. (2010), Cronbach's alpha of more than 0.70 reveals an acceptable level of internal consistency among the items measuring each construct. Moreover, the range 0.60-0.70 is considered to be the minimum level for which the reliability of the measure can be

accepted (Hair *et al.*, 2010).

Results in Table 3.1 showed that the Cronbach's alpha for all the constructs ranged between 0.743 and 0.911 indicating acceptable level of reliability of the measure.

Table 4.1

Reliability Analysis of the measure used

Constructs	No. of original items	Cronbach's Alpha	Item deleted*	Cronbach's Alpha if item deleted
Meaningfulness and competence	6	0.869	Nil	0.869
Self-determination	3	0.743	Nil	0.743
Impact	3	0.772	Nil	0.772
Inspirational motivation	8	0.911	Nil	0.911
Individualized consideration	6	0.884	Nil	0.884
Satisfaction on pay and promotion	4	0.799	Nil	0.799
Satisfaction on co-worker and communication	5	0.743	Nil	0.743

* Number of item as sequenced in questionnaire

5.3.2 validity analysis through factor analysis

Before further tests were performed, the construct was subjected to validity through factor analysis. Basically, the purpose of factor analysis was to test the construct of the questionnaires by identifying the factors or dimensions underlying the

set of variables (Meyers *et al*., 2006). The purpose of factor analysis for this study was to identify the factors underlying the items used to measure employees' psychological empowerment, transformational leadership, and employees' job satisfaction.

According to the literature of multivariate analysis, factor analysis is used to test the uni-dimensionality of the items. It consists of two major steps, the first step is to extraction and the second step is the rotation. While extraction process shows the items loading on specific factor, rotation process helps in interpretation by identifying simple and meaningful factors. This argument followed the suggestion of Tabanick and Fidel (2006) that using the rotated matrix improves the interpretability and scientific utility of the items.

In fact, before undertaking the factor analysis, one should test the factorability of the dimensions by employing the Bartlett's test of sphericity and the Kaiser-Meyer-Olkin (KMO) Measure of sampling adequacy. The Bartlett's test of sphericity should be significant and the Kaiser-Meyer-Olkin (KMO) Measure of sampling adequacy had to be more than 0.50 in order to be acceptable (Hair, *et al*., 1998). In fact, many recommendations have been suggested to identify the acceptable KMO. For instance, Field (2000) recommends 0.5 – 0.7 as mediocre, 0.7-0.8 as good and 0.8-0.9 as superb. For this study, the KMO for all the constructs ranged between 0.786 and 0.909 as illustrated in Table 4.2 through Table 4.4, this study proceeded to the factor analysis as reported in the following.

4.3.2.1 Factor Analysis of Employees' job satisfaction construct

To capture the dimesnions of employees' job satisfaction, Principle Component Analysis (PCA) with varimax rotation was employed. Based on the

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results of factor analysis, KMO was found to be 0.786 greater than 0.6 and the Bartlett's test of sphericity was significant indicating the factorability of the dimensions. The nine items of employees' job satisfaction construct were found to load on two factors with eigenvalues greater than one. These factors explained 57.25% (cumulative variance explained (CVE)) of the variance in the employees' job satisfaction construct. The results of the factor analysis were reported in Table 4.2 below.

According the loaded items, the two factors were named as Satisfaction on Pay and Promotion (SPP) and Satisfaction on Supervision and Co-workers (SSC) respectively as reported in Table 4.2.

Table 4.2

Factor analysis of job satisfaction

Code	Factors	
	SPP	SSC
SW1	0.830	
SS1	0.822	
SP2	0.742	
SP1	0.700	
SC1		0.785
SC2		0.785
SC3		0.652
SS2		0.625
SW2		0.580
Eigenvalue	3.449	1.703
VE%	38.325	18.925
Reliability	0.799	0.743
KMO	0.786	
Overall VE%	57.251	
Chi Square	440.545	
Significance	0.000	

SSP: Satisfaction on pay and promotion

SSC: Satisfaction on Supervision and co-workers

4.3.2.2 Factor Analysis of Employees' Psychological Empowerment Construct

Similarly, FA was conducted to identify the underlying dimensions for the items representing psychological empowerment construct. The KMO was found to be 0.798 exceeding 0.6 with significant Bartlet's test was significant indicating the factorability of the dimenions. The factor loadings of the items on the extracted factors indicated that there were three factors underlying the construct and accounting for 68% of its variance. Originally, the psychological empowerment construct, based on the literature, has four dimensions namely, meaningfulness, competence, self-determination, and impact. Based on the items loaded on the three factors, names were assigned to the factors as meaningfulness and competence, self-determination, and impact as illustrated in Table 4.3.

Table 4.3

Factor Analysis of Employees' Psychological Empowerment (EPE)

Code	Factors		
	EMC	ESD	EI
EM1	0.847		
EM2	0.800		
EM3	0.796		
EC1	0.749		
EC2	0.694		
EC3	0.538		
ESD2		0.885	
ESD1		0.784	
EI1		0.636	
EI2			0.880
EI3			0.762
ESD3			0.691
Eigenvalue	4.976	1.956	1.220
VE%	41.466	16.3	10.163

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Reliability	0.869	0.743	0.772
KMO	0.798		
Overall VE%	67.929		
Chi Square	1016.62		
Significance	0.000		

EMC: Meaningfulness and competence

ESD: Self-determination

EI: Impact

4.3.2.3 Factor Analysis of Transformational leadership (TL) construct

To identify the factors underlying the items measuring the transformational leadership, the items were sent to the factor analysis techniques. The KMO was found to be 0.909 far above the recommended limit of 0.5 and the Bartlett's test was significant (Hair *et al.*, 2010). Instead of the four dimensions identified in the literature for the transformational leadership construct, only two dimensions were identified as a result of the analysis.

Initially, the literature of leadership emphasized on the four (I)s dimensions namely, idealized influence, individualized consideration, iinspirational motivation, and intellectual stimulation. However, this study identified only two factor that were named according to the content of the items as inspirational motivation and individualized consideration as illustrated in Table 4.3 in the following.

Table 4.4

Factor Analysis of TL

Code	Factors	
	TLIM	TLIC
TLII1	0.811	
TLIS1	0.765	
TLII4	0.688	
TLIC3	0.658	
TLIM3	0.655	

TLIM4	0.626	
TLIC1	0.615	
TLII2	0.548	
TLIS2		0.821
TLIM2		0.814
TLIC2		0.704
TLIS3		0.675
TLIM1		0.576
TLIC4		0.565
Eigenvalue	7.991	1.116
VE%	57.081	7.97
Reliability	0.911	0.884
KMO	0.909	
Overall VE%	65.051	
Chi Square	1627.99	
Significance	0.000	

TLIM: Inspirational Motivation

TLIC: Individualized Consideration

After the factor analysis was performed and the factors underlying the constructs of the study, this study proceeded to distribute the respondent according to the demographic variables as elaborated in the following sub-section.

4.3   RESPONDENTS' PROFILE

Using the demographic variables in the study such as job title, age, gender, education, specialization, job experience, and overall working experience, the respondents were distributed as shown in Table 4.5.

Table 4.5

Respondents Profile

Demographic Variable	Category	Frequency	Percent %
Job Title	Officer	22	13.8
	Customer Service	32	20.0

|			
	Cashier	30	18.8
	Other	76	47.5
	Total	160	100.0
Gender	Male	135	84.4
	Female	25	15.6
	Total	160	100.0
Age	Less than 25	20	12.5
	between 25 and 30	65	40.6
	between 30 and 35	66	41.3
	More than 35	9	5.6
	Total	160	100.0
Education level	High School	16	10.0
	Community College	4	2.5
	College Degree	115	71.9
	Master or PhD	16	10.0
	Others	9	5.6
	Total	160	100.0
Specialization	Business	100	62.5
	Non-Business	60	37.5
	Total	160	100.0
Job Experience	Less than 3 years	69	43.1
	Between 3 and 5 years	38	23.8
	Between 5 and 10 years	41	25.6
	More than 10 years	12	7.5
	Total	160	100.0
Working Experience	Less than 3 years	92	57.5
	Between 3 and 5 years	33	20.6
	Between 5 and 10 years	27	16.9
	More than 10 years	9	5.6
	Total	160	100.0
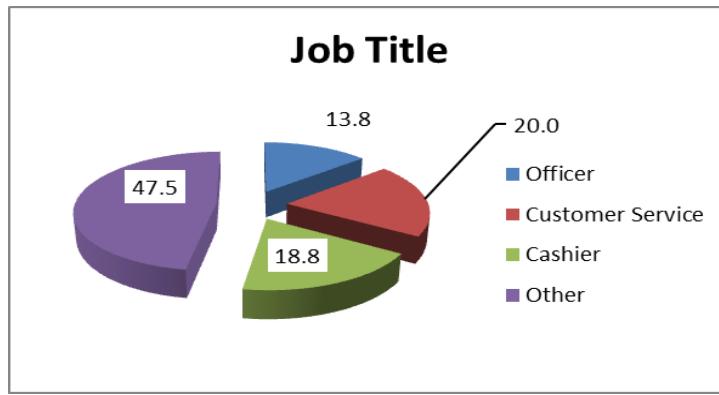
Figure 4.1

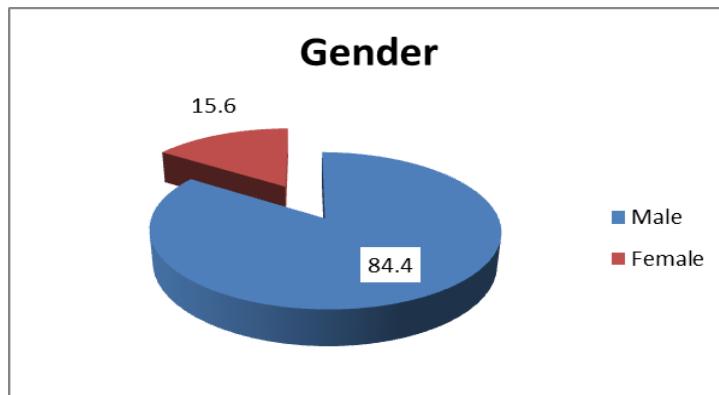*Respondents' profile according to job title*

Figure 4.2

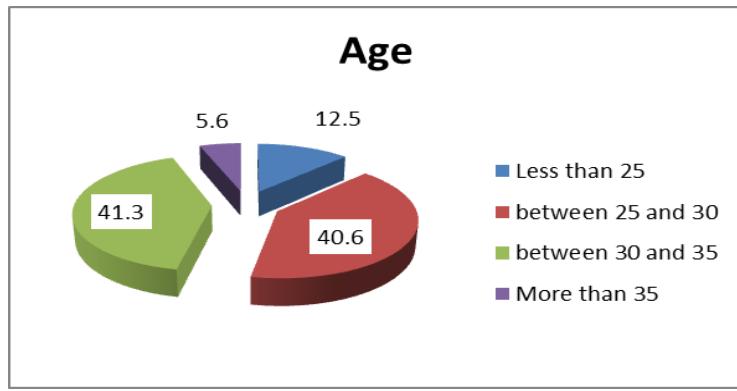*Respondents' profile according to gender*

Figure 4.3

Respondents' profile according to age
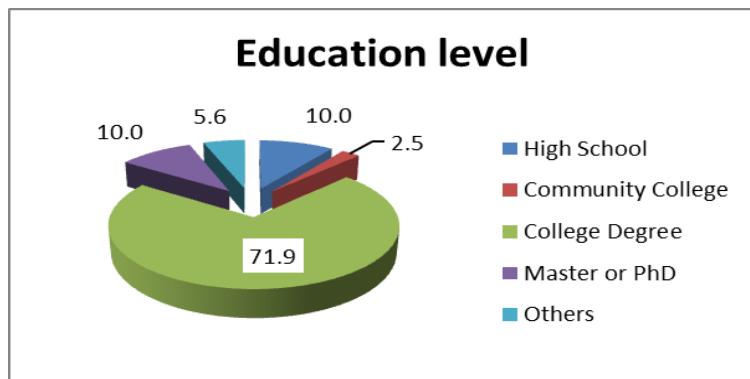
Figure 4.4

Respondents' profile according to education
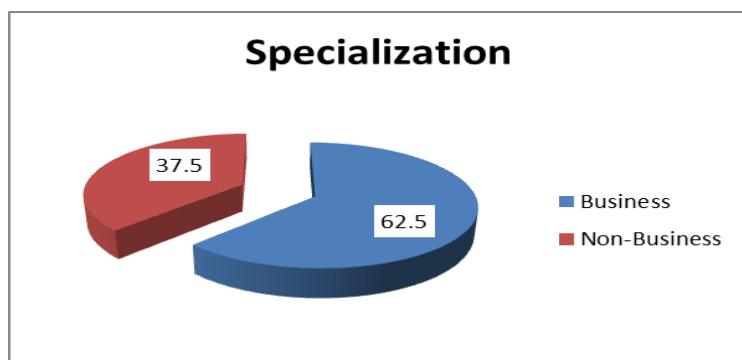
Figure 4.5

Respondents' profile according to specialization
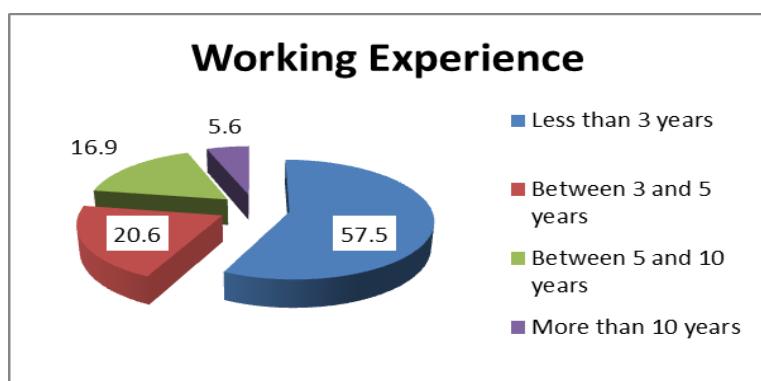
Figure 4.6

Respondents' profile according to experience

As illustrated in Table 4.5 and Figures 4.1 through 4.6, the respondents were categorized based on the demographic variables. The majority of the respondents were male 84.4 % while the remaining 25.6% were female. According to the age group, 82 % of the respondents were aged between 25 and 35 years as illustrated in Figure 4.3. In general, the majority of the respondents are youth and the percentage of those aged more than 35 is 5.6%. In terms of the educational level, the majority of the respondents were college graduates constituting 72% and 10% had postgraduate degrees.

The resuts also showed that the majority of the employees had business major and specialization with percentage of 62.5% compared to 37.5 % with non-business qualifications. From experience point of view, Table 4.5 and Figures 4.6 showed that most of the employees were less than three years in experience (57.5%). Generally, as the results indicate, only 5.6% of the respondents had experience more than 10 years.

4.4   DESCRIPTIVE ANALYSIS

To be abale to describe the results of the study, descriptive analysis which includes the mean and standard deviation was performed to describe the results pertaining to the independent and dependent variables. The results were summarized in Table 4.6 in the following.

Table 4.6

Descriptive Statistics of the Variables

Variable	Mean	Std. Deviation	Minimum	Maximum
Meaningfulness and competence	4.272	0.700	1.0	5.0
Self-determination	3.463	0.885	1.0	5.0
Impact	3.804	0.830	1.3	5.0
Empowerment	**3.953**	**0.591**	**1.6**	**5.0**
Inspirational Motivation	3.654	0.850	1.0	5.0
Individualized Consideration	3.431	0.801	1.0	5.0
Transformational Leadership	**3.559**	**0.788**	**1.1**	**5.0**
Satisfaction on Pay and Promotion	2.584	0.912	1.0	5.0
Satisfaction on Supervision and Co-worker	3.880	0.640	1.6	5.0
Overall Satisfaction	**3.304**	**0.630**	**1.7**	**4.9**

As mentioned earlier, all the variables of the study were measured using a 5-point Likert scale ranging from 1 "strongly disagree" to 5 "strongly agree". As can be noticed from Table 4.4, the mean of most of the variables is above the average ranging from 3.304 to 4.272 with standard deviation ranging from 0.631 to 0.912 indicating above the average recorded perception of the respondents. On the other

hand, satisfaction on pay and promotion was found to have the least mean of 2.584 indicating that employees were not satisfied on pay packages and promotion plans.

4.5 HYPOTHESES TESTING PROCEDURES

To test the hypothese of the study, Pearson Correlation Analysis was first performed to describe the associational relationship between variables. before, conducting the hierarchical regression analysis, many assumption required for multivariate analysis were tested and reported along with the hierarchical regression results.

4.5.1 Pearson Correlation Coefficient

As discussed by Hair *et al*. (2010), when doing research, researchers always like to know how variables are related to each other rather than knowing their means and other statistical summary points. Pearson correlation analysis describes the nature and strength of the bivariate relationships amongst pairs of variables in the study.

Theoretically, correlation between two variable ranges between -1.0 and 1.0, perfect negative and perfect positive respectively. The results in Table 4.7 indicated that each pairs of the variable psychological empowerment, transformational leadership, and the employees' job satisfaction have significant positive correlation at the 0.01level of significance.

Table 4.7
Pearson correlations analysis

Variable	Psychological Empowerment	Transformational leadership	Employees Job satisfaction
Psychological Empowerment			

Transformational leadership	.425**	
Employees Job satisfaction	.367**	.527**

** p < 0.01

4.5.2 Preparing data for Multivariate analysis

Before, undertaking further statistical analysis, this study examined the multicollinearity and outlier issues. The results indicated that there were no serious issues related to outliers and multicollinearity. Additionally, this section tested the regression assumptions regarding the linearity, normality, homoscedasticity, and the independence of the error terms. The results obtained were reported as follows.

4.5.2.1 Detecting Outliers

The literature of multivariate analysis defined the outlier observations as those that have unique characteristics differentiate them from other observations (Hair *et al*., 2010). They can be detected using the common method that depends on Mahalanobis distance measure. According to this method, this method measures the distance of each observation from the center of all observations and compare this distance with the critical values in Chi-square distribution table. The results of this study showed that Mahalonobis distances of all the observations ranged between 0.193 and 56.36. According to the Chi-Square distribution table, the critical value at 0.05 level of significance and 36 degrees of freedom was found to be 22.47. As a result of this comparison, two observations were considered as outliers. Following the suggestion of Coakes and Steed (2003), this study opted to retain all the observations for further analysis. In the following, this study examined the existence of multicollinearity among the variables of the study.

4.5.2.2 Checking the Multicollinearity

Multicollinearity refers to the extent to which one variable is being explained by other variables (Hair *et al*., 2010). Multicolinearity raises the difficulty in intreprating the effect of other variables. One way to detect the multicollinearity is using the tolerance value and Variance Inflation Factor (VIF). According to Hair *et al*. (2010), tolerance of more than 0.1 and VIF of more than 10 revealed the non-existence of multicollinearity.

However, Table 4.8 showed that the tolerance values of all variables were more than 0.1 and the VIF were below the threshold value of 10 as suggested by Hair *et al*. (2010). Based on these findings, it was concluded that the issue of multicollinearity issue was not present in this study.

Table 4.8

Testing for the Multicollinearity

Variable	Tolerance	VIF
Meaningfullness and Competence	0.618	1.618
Seld-Determination	0.828	1.208
Impact	0.546	1.833
Psychological Empowerment	**0.792**	**1.263**
Inspirational Motivation	0.251	3.985
Individualized Consideration	0.326	3.065
Transformational Leadership	**0.792**	**1.263**

As discussed earlier, it was concluded that no serious outlier observations were present in the data and the multicollinearity was not a concern.

Prior undertaking the regression analysis, four assumptions of multiple linear regressions were examined following the suggestion of Hair *et al.* (2010). These assumptions are normality, linearity, homoscedasticity, and finally the independence of error terms.

4.5.2.3 Normality Testing

The assumption of normality was examined using the normal probability plots of the residuals. The histogram and the normal probability plots were tools to establish the normality. Both P-P Plot and Q-Q plot showed that the data lie on the strait lines in both graphs indicating that the data were approximately normaly distributed as shown in Figures 4.7 through 4.9.
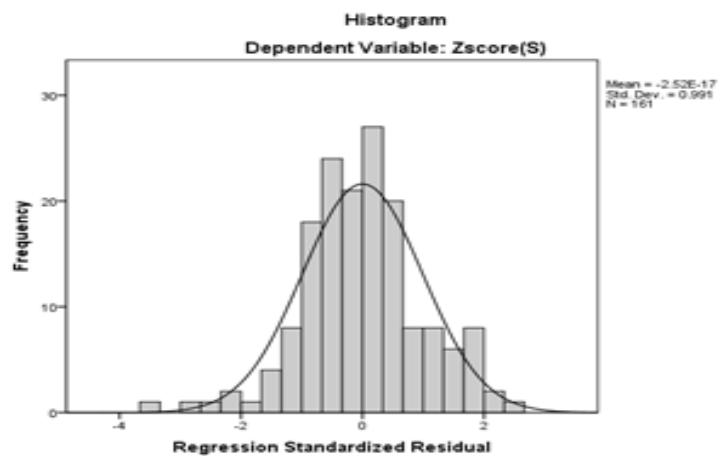
Figure 4.7

Histogram of the regression residuals
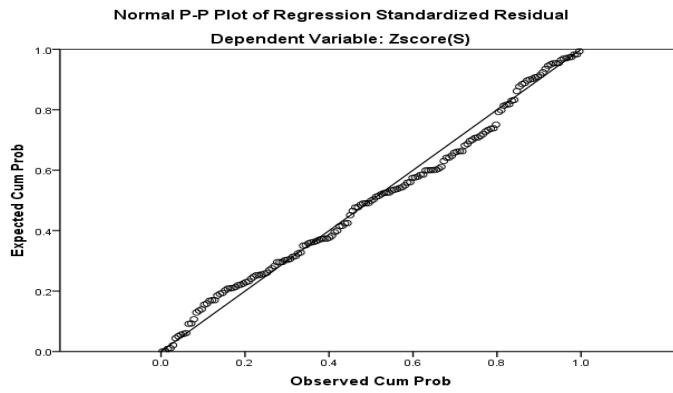
Figure 4.8

Testing Normality using Normal Probability Plot
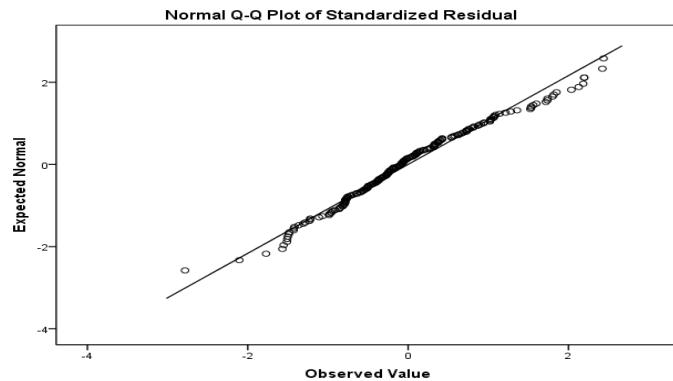
Figure 4.9

Testing Normality using Q-Q Plot

4.5.2.4 Testing the Linearity, Homoscedasticity, and the Independence of errors

Linearity, homoscedasticity, and the independence of the error terms were examined

through examining the scatterplot of the residuals.
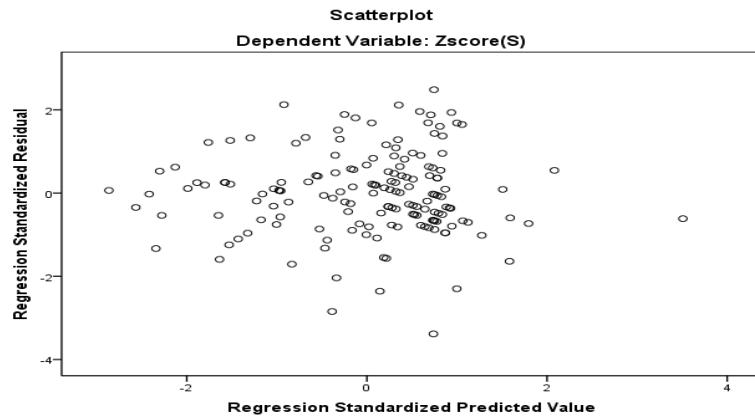
Figure 4.10

Scatterplot of the residuals

As can be seen in the scatterplot in Figure 4.10, there was no clear relationship between the residual and the predicted value. This situation supported, according to Hair *et al*. (2010), the assumptions of linearity, homoscedasticity, and the independence of residuals.

4.5.3   Multiple Regression Analysis

Multiple regression analysis was used to test for the direct effect of psychological empowerment and transformational leadership on the employees' job satisfaction. Moreover, hierarchical resgression was used to examine the moderating effect of transformational leadership on the relationship between psychological empowerment and employees' job satisfaction.

4.5.3.1 Investigating the direct effect

To examine the direct effect of the employees' psychological empowerment and the transformational leadership on the employees' job satisfaction, multiple regression analysis was employed. In fact, the analysis was performed through utilizing the regression techniques to report the results in the form of three models.

The results regarding the model of the study showed that the overall model was valid (F value=17.74; $p<0.001$) accounting for about 30% of the variance in the employees'

job satisfaction. The model of the study as can be seen in Table 4.9 models 2 and 3 indicated that both employees' psychological empowerment and transformational leadership were found to effect significantly the employees' job satisfaction at the 0.05 and 0.001 level of significance respectively.

Table 4.9

Results of Multiple Regression Analysis

Variables	Standardized Beta
Gender	0.017
Psychological Empowerment (EPE)	0.183*
Transformational Leadership (TL)	0.461***
EPE*TL	0.039
F value	17.714
F Sig.	0.000
R^2	0.312
Adjusted R^2	0.295

*: $p<0.05$; **: $p<0.01$; ***:$p<0.001$

Based on these findings, it can be concluded that employees' psychological empowerment was a significant positive predictor of employees' job satisfaction with indicators ($\beta=0.183$; t= 2.396; $p<0.05$). That is, the more empowered the employee, the higher level of satisfaction he has. Similarly, transformational leadership was found to have a strong prediction power towards employees' job satisfaction with indicators ($\beta=0.461$; t= 6.127; $p<0.001$). Clearly, it can be concluded from the results that transformational leadership was found to have a stronger prediction power against the employees' job satisfaction than that of the employees' psychological empowerment.

These results however supported the first and the second hypotheses (H1 and H2)of the study as postulated in chapter 3.

4.5.3.2 Investigating the moderating effect of transformational leadership

To test the moderating effect of the transformational leadership on the relationship between employees' psychological empowerment and the employees' job satisfaction the hierarchical multiple linear regression was employed.

This study, in order to perform the hierarchical regression analysis, followed the suggestion of Frazier, Tix, and Barron (2004). To get the interaction term through which the moderating effect is measured, all the variables inserted to the model were standardized. This means that the mean of each variable was subtracted from all the values of that variable and subsequently all the values of the variable were divided by its standard deviations.

In addition to that, following the suggestions of Baron and Kenny (1986), the regression analyses were performed in several blocks. The first block includes only the control variable namely the gender of respondent. In the second block, employees' psychological empowerment and transformational leadership were included to examine their predictive power against the employees' job satisfaction. Lastly, the third block included the interaction term to examine the moderating effect of transformational leadership. The results of the hierarchical regression model were reported in Table 4.8 in the following.

The results of the hierarchical regression analysis were reported through the following three models as illustrated in Table 4.8.

Model 1: in this model only the gender variable was examined as a predictor of employees' job satisfaction. The model was invalid (F value= 0.626; p>0.05) and has

poor predictive power against the dependent variable (adjusted R^2=-0.002). The gender was proven not to be a significant predictor of employees' job satisfaction (β= -0.063; t= -0.791; p>0.05).

Model 2: in this model the two predictors namely; psychological empowerment and transformational leadership were introduced. The model was valid (F value= 23.617; p<0.001) with significant R^2 change and accounted for 29.8% of the variance in the employees' job satisfaction.

Table 4.10

Results of Hierarchical Multiple Regression Analysis

	Model 1	Model 2	Model 3
Variables	Controlling variables	Predictors	Interactions
Gender	-0.063	0.014	0.017
Psychological Empowerment (EPE)		0.174*	0.183*
Transformational Leadership (TL)		0.458***	0.461***
EPE*TL			0.039
F value	0.626	23.617	17.714
F Sig.	0.430	0.000	0.000
R^2	0.004	0.311	0.312
Adjusted R^2	-0.002	0.298	0.295
R^2 change	0.004	0.307	0.001
Significant F change	0.430	0.000	0.575

* : p< 0.05; **: p<0.01; ***: p<0.001

In this model, however, the two predictors namely; employees' psychological empowerment (β=0.174; t= 2.335; p<0.05) and the transformational leadership (β=0.458; t= 6.116; p<0.001) were found to have significant effect on the employees' job satisfaction at the 0.05 and the 0.001 levels of significance respectively.

Model 3: the interaction term between the employees' psychological empowerment and the transformational leadership was introduced. Table 4.8 showed that the model was valid (F value= 17.714; p<0.001) but the change in R^2 is not significant. As was found from the previous model, EPE (β=0.183; t= 2.396; p<0.05) and TL (β=0.461; t= 6.127; p<0.001) had significant effect on the EJS at the 0.05 and 0.001 level of significance respectively.

From Table 4.8, the results also showed that the interaction term between EPE and TL was not significant (β=0.039; t= 0.575; p>0.05) indicating that transformational leadership was not a significant moderating variable on the relationship between employees' psychological empowerment and the employees' job satisfaction. These results revealed that the third hypothesis (H3) was not supported by the findings of the study.
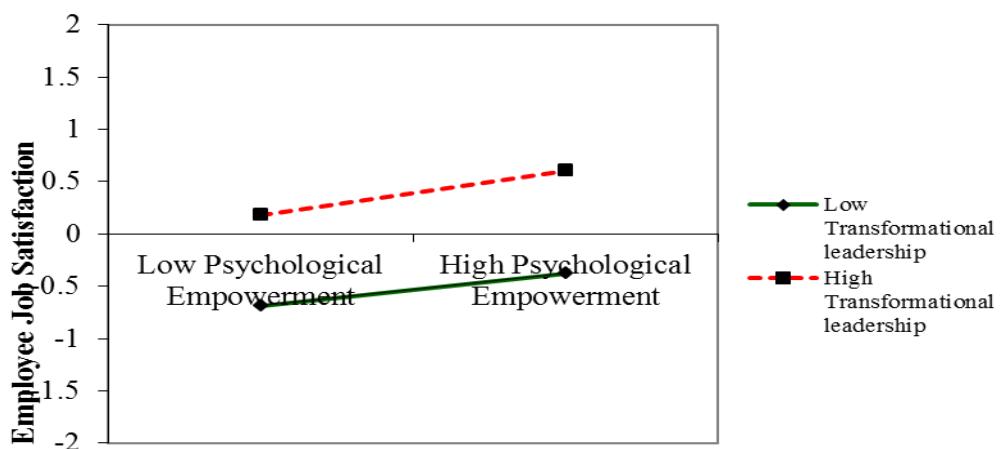
Figure 4.11

The moderating effect of transformational leadership

As can be noticed in Figure 4.11, although the moderating effect of transformational leadership is not statistically significant, in high transformational leadership situation, any increase in psychological empowerment cause faster increase in the employees'

job satisfaction than the case of low transformational leadership situation. Despite the insignificant findings regarding the moderating effect of transformational leadership, its importance in increasing rate of employees' job satisfaction has been acknowledged as in the Figure 4.11.

4.6 SUMMARY OF THE FINDINGS

The findings of the hypotheses testing procedures were summarized in Table 4.9 as illustrated in the following.

Table 4.11

Summary of the Findings

No	The Hypothesis	Conclusion
H1	There is a significant effect of employees' psychological empowerment on the employees' job satisfaction.	**Supported**
H2	There is a significant effect of transformational leadership on the employees' job satisfaction.	**Supported**
H3	There is a significant moderating effect of transformational leadership on the relationship between employees' psychological empowerment and employees' job satisfaction.	**Not supported**

4.7 SUMMARY

This chapter presented the findings of the analysis concerning the direct effect of employees' psychological empowerment and the transformational leadership on the employees' job satisfaction. Moreover, it presented the results pertaining to the examination of the moderating effect of transformational leadership on the relationship between employees' psychological empowerment and the employees' job

satisfaction. In prior to test the hypotheses, this chapter established the goodness of the measure, by performing validity and reliability analysis, to ensure valid and reliable results.

However, the findings of the hypotheses procedures revealed that employees' psychological empowerment and transformational leadership were found to affect significantly the employees' job satisfaction. On the other hand, the moderating effect of transformational leadership on the relationship between employees' psychological empowerment and the employees' job satisfaction was not supported. However, it was also acknowledged that in high transformational leadership context, psychological empowerment enhances the level of employees' job satisfaction in a higher rate than that of the low transformational leadership context.

CHAPTER 5

DISCUSSION, RECOMMENDATIONS AND CONCLUSIONS

5.1   INTRODUCTION

This chapter summarizes the study and discusses the findings of the study in the view of the previous studies related to employees' psychological empowerment, transformational leadership, and the employees' job satisfaction. Moreover, this chapter discusses the limitations of the study and gives some directions for future research work.

5.2   SUMMARY OF THE STUDY

The main objective of the study was twofold. The first was to examine the direct effect of employees' psychological empowerment and transformational leadership on the employees' job satisfaction. The second objective was to examine the moderating effect of transformational leadership on the relationship between employees' psychological empowerment and the employees' job satisfaction. This study used the data collected from the employees working in the Yemeni Islamic banks. Initially, this study was motivated by the findings in the literature regarding the effect of employees' job satisfaction on the satisfaction of the customers and subsequently the prosperity of the business.

This study was originally motivated by the increasing importance gained by employees' job satisfaction towards successful organizational performance. Based on the literature review that proved that the more satisfied the employees of an organization, the more satisfied will be the customers and subsequently the more

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successful will be the business. As it has been reported and discussed in the problem statement part, Yemeni banks failed to attract the customers and develop a successful banking culture. This issue, regarding the Yemeni banking performance, drives the attention of the researcher to study the effect of transformational leadership style on the level of employees' satisfaction when empowerment is assumed. Additionally, this study was motivated by the fact that the literature of human resources gave a huge attention to the effect of transformational leadership on empowerment and even employees' satisfaction but how empowered employees are satisfied under the supervision of transformational leaders has been neglected.

Based on the problem statement and the literature review conducted throughout the study, this study aimed to achieve the following main objectives:

1. To examine the effect of employees' empowerment, if any, on the employees' satisfaction.

2. To examine the effect of effect of transformational leadership on the employees' job satisfaction.

3. To examine the moderating effect, if any, of transformational leadership on the relationship between employees' empowerment and employees' satisfaction.

To achieve the aforementioned objectives, this study reviewed the relevant literature as reported throughout this study especially in Chapter 2 and Chapter 3. In the view of the transformational leadership theory, the framework and the hypotheses of the study were developed as reported in chapters 3 and 4. However, to test the developed research framework, a quantitative research approach was employed in which a survey questionnaire was self-administered to collect the data reflecting the employees' perceptions regarding the variables of the study. In addition

to that, a five-point Likert scale was used to measure all the items that were adopted from the measures utilized in previous researches. To collect the data of the study, 250 questionnaires were distributed to the employees in Islamic banks in Sana'a where the biggest number of Islamic bank branches was located. Out of 250 questionnaires, 170 questionnaires were returned among which 160 constituting 64% were usable.

To establish the construct validity and reliability, factor analysis and reliability analysis using SPSS for windows version 16.0 were performed. Having established an acceptable level of construct validity and reliability of the measure, this study performed the hypotheses testing procedures utilizing hierarchical regression analysis. This analysis was used to examine the explanatory power of employees' psychological empowerment and the transformational leadership towards the employees' job satisfaction. Moreover, this study tried to examine the moderating effect of transformational leadership on the relationship between employees' psychological empowerment and the employees' job satisfaction. This study reported the findings of the study in chapter 4 to be discussed in the current chapter. Some conclusions and recommendations for future research have been suggested at the end of this chapter.

5.3   DISCUSSION

To achieve the objectives of the study, this chapter discussed the findings according to the objectives of the study as reported in the following.

5.3.1 Employees' psychological empowerment and employees' job satisfaction

Based on the findings of this study discussed in chapter 4, employees' psychological empowerment found to have a positive significant effect on the employees' job satisfaction at the 0.05 level of significance (β=0.183; t= 2.396; p<0.05). These findings confirmed the positive and significant effect of employees' psychological effect on the employees' level of satisfaction. In fact, these findings were consistent with the previous studies regarding the effect of employees' psychological empowerment on the employees' satisfaction. For example (Bordin, Bartram, & Casimir, 2007; Holdsworth & Cartwright, 2003; Savery & Luks, 2001; Seibert, Silver, & Randolph, 2004; Spreitzer, Kizilos, & Nason, 1997) found that employees' psychological empowerment has a positive significant effect on the level of employees' satisfaction in different context. This finding indicates that if employees feel empowered, they feel confident to do their jobs and therefore they have high level of job satisfaction.

5.3.2 Transformational leadership and employees' job satisfaction

To examine the effect of transformational leadership on the employees' job satisfaction, this study discussed the findings in chapter 4. The results showed that transformational leadership style was found to have a significant positive effect on employees' job satisfaction at the 0.001 level of significance (β=0.461; t= 6.127; p<0.001).

These findings are in line with the attention given in the literature to transformational leadership as a significant determinant of employees' job satisfaction (Masi & Cooke, 2000). Additionally, these findings were consistent with the findings of many researchers (such as Al-Hussami, 2008; Jabnoun & Al Rasasi, 2005; Naidoo,

2008; Ramey, 2002). The findings of this study also showed that transformational leadership had a stronger effect on the employees' job satisfaction than that of the employees' psychological empowerment.

5.3.3 The Moderating effect of Transformational Leadership

As illustrated in chapter 4, the results of this study showed that the interaction term between employees' psychological empowerment and transformational leadership was not significant (β=0.039; t= 0.575; p>0.05). This finding, however, indicated that transformational leadership was not a significant moderating variable on the relationship between employees' psychological empowerment and the employees' job satisfaction.

The insignificant finding regarding the moderating effect of the transformational leadership could be plausibly attributed to the lack of healthy leadership practices in the Yemeni business environment in general and in banks in particular. Moreover, the findings can be interpreted in terms of the following facts.

First, managers themselves lack the authority to lead organizations based on their choice, rather they have to ensure the smoothness of the daily activities and follow the instructions of the owners. In addition to that, Yemeni managers lack the capabilities to play the role of strategic leaders (Al-Zamany, Hoddell, & Savage, 2002).

Second, in relation to the previous argument, Al-Zamany et al. (2002) stated that the management system in Yemeni organizations is not effective to create healthy business environment to utilize all the skills and the intellectual capabilities of the human resources. More specifically, managers have low involvement in setting

goals, lack the strategic planning skills, and more seriously often fail to transform the vision and future goals of their organizations to their employees (Al-Zamany *et al*., 2002).

Last but not least, one of the main reasons of the unhealthy business in Yemen, as argued by Al-Zamany *et al*. (2002) and Salaheldin (2003), is the lack of human development policies or the poor human resource management system. More seriously, employees in developing countries in general, and in Yemen in particular, are not involved in decision making processes. Additionally, employees in Yemen, in their different levels of responsibility, are not empowered to do their jobs and improve the business processes. In particular, they are not trained to have the capabilities required for successful job performance and there is no incentive system to encourage them to produce high quality and innovative outcomes.

5.4   CONTRIBUTIONS OF THE STUDY

This study, in general, has provided useful insights regarding the effect of employees' psychological empowerment (EPE) and transformational leadership (TL) on the employees' job satisfaction (EJS). Additionally, this study tried to investigate the moderating effect of transformational leadership on the relationship between employees' psychological empowerment and the employees' job satisfaction. By investigating the integrated effect of EPE, TL, and EJS, many contributions, to the literature as well as the practice, have been offered by this study as further elaborated in the following sub-sections.

5.4.1   Contribution to the Literature

This study had many significant contributions to the literature as discussed in

the following.

First, this study demonstrated the importance of employees' psychological empowerment in enhancing the level of employees' satisfaction. In other words, this study reexamined the effect of employees' psychological empowerment on the employees' job satisfaction in the Yemeni banking system and particularly in Islamic banks.

Second, in addition to that, this study showed the importance of transformational leadership for employees' job satisfaction. This study, however, confirmed the importance of transformational leadership in enhancing the level of employees' job satisfaction.

Third, this study contributed to the literature by examining the joint effect of employees' psychological empowerment and transformational leadership on the employees' job satisfaction. As can be noticed from the regression results, transformational leadership was found to be about three times as the employees' psychological empowerment. This finding reveals the strength of transformational leadership in enhancing the overall satisfaction and subsequently the performance of the employees.

Finally, this study tried to contribute to the literature by examining the moderating effect of transformational leadership on the relationship between employees' psychological empowerment and employees' job satisfaction. In fact, is the transformational leadership style practiced on empowered employees helps them to achieve high level of self-esteem, self-efficacy, and satisfaction. Even the moderating effect was found not to be significant; it showed that empowered employees supervised by high profile transformational leaders tend to be more

satisfied than those supervised by low profile transformational leaders.

5.4.2 Practical Contribution

In addition to the theoretical contributions, this study had many implications for the practitioners and policy-makers.

First, this study provided advantageous insights on how EPE and TL can enhance the overall employees' satisfaction.

Second, the findings of this study can raise the awareness among managers on how to create an empowering environment through institutionalizing employees' psychological environment and transformational leadership style. To use the capabilities of the employees to their full potentials, managers should train themselves and other supervisors on how to enhance empowerment practices and acquire transformational leaders' characteristics.

Finally, this study gave some insights on how important is the transformational leadership to achieve high level of employees' performance in an empowering business environment.

As with other researches, all the contributions of the study and conclusions drawn accordingly should be interpreted in the light of the limitations of the study as discussed in the following.

5.5   LIMITATIONS

Despite the good insights provided by the findings of this study, all the conclusions drawn should be interpreted in the lights of the limitations of the study. As with other studies, three main limitations of the study can be addressed through causality, generalizability, and methodology as discussed in the following.

5.5.1 Causality

The findings of this study were fully dependent on the data collected through the survey questionnaire research design. That is, the data measured the association relationship among variable at a particular point of time due to the cross-sectional nature of the data collected. However, due to this issue, while the casual relationship can be inferred based on the results, they cannot be strictly ascertained.

5.5.2 Generalizability

Having no control on some factors, researcher had to face some limitations regarding the generalizability of the findings.

The results of this study considered the relationships among the variables at one point of time through the employees' perception. As it is well-known that the relationships are dynamic and influenced by the surrounding environment, the conclusions of the study could have been different if the research design was longitudinal rather than cross-sectional study.

The results of this study are based on the data collected from the employees in Islamic banking sector as a service sector, due to that it is so difficult to generalize the results on the service sector and other sectors of the economy. That is, to be able to generalize the results obtained, the researcher could conduct the study based on the results obtained from the Yemeni employees in different sectors and geographic areas.

5.5.3 Methodology

In addition to that, this study had limitations pertaining to the methodological aspects as discussed in the following.

This study used the five-point Likert scale to measure the respondents' degree of agreement towards statements related to the psychological empowerment they enjoy, transformational leadership of their supervisors, and their level of satisfaction. Using such measures could attract the respondent to answer without paying the due attention. The issue regarding using such measure is that different individuals have different interpretation to the numbers used to measure feelings. This situation may affect the quality of the data since it is difficult to assume that all the questions have been understood completely.

Moreover, using the Likert scale to measure the responses requires the respondent to be able to translate their perceptions about different statements into numbers. These responses may be subjected to biasedness of (Macinati, 2008).

Finally, one of the major limitations of this study is the lack of the databases to which the researcher could compare the results obtained. This is always the case in the developing countries like Yemen. Having no studies examining the relationships among the variables of the study in the Yemeni context, the researcher had to proceed without the advantage of having other findings to be benchmarked or to be used in further explanations.

5.6   SUGGESTIONS FOR FUTURE RESEARCH

Throughout the progressive work of this study, various future research opportunities have been triggered.

Firstly, to go beyond the cross-sectional approach of doing research that is dependent on data collected at one point of time; future research could employ case study approach to conduct in depth studies. As the case study approach may be able to detect the dynamic nature of the relationships among the meant variables in always

changing business environment.

Secondly, to further examine the complex joint effect of many variables on the employees' job satisfaction, a longitudinal research could be extended to explain the system of relationships over a long period of time. This approach, moreover, could describe the changes in the relationships through the process.

Finally, since these relationships, according to the theory of transformational leadership, could be significantly affected by many other variables, it is suggested that future research should focus on the effect of many other variables. For example, due to the acknowledged effect of organizational culture on the process in any organizational context, it is suggested that the effect of OC should be studied and further examined.

5.5 CONCLUSIONS

In conclusion, the employees' job satisfaction will remain one of the major determinants of the organizational success and effectiveness. Moreover, enhancing the level of job satisfaction among employees will remain the main objective of all the business consultation projects. In has been widely known that satisfied employees are the pillar of business success and growth of any organization. In Yemen, due to the globalization and open economy strategies, the issue of employees' satisfaction has been gaining a great attention by business owners and managers. As empowerment and transformational leadership style have been gaining an increasing attention as crucial determinants of employees' job satisfaction, their effects were the focus of this study.

As discussed in the findings of the study, this study confirmed the significant impact of employees' psychological empowerment and transformational leadership

on the employees' job satisfaction. This indicates helpful insights on how to enhance the level of employees' job satisfaction through institutionalizing psychological empowerment and transformational leadership.

The moderating effect of transformational leadership on the relationship between employees' psychological empowerment and employees' job satisfaction was not supported by the results of this study. As discussed in previously, the poor transformational leadership practices by the Yemeni supervisors could explain this finding. As it is well-known, employees to achieve high level of satisfaction in empowering environment should be well-supervised and encouraged to achieve high level of performance and career development that ultimately cause high level of employees' job satisfaction.

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Universiti Utara Malaysia

Survey of the Islamic Banks Employees in Yemen 2011

Dear Respondent,

Let me first congratulate you as you have been chosen to be one of our valuable respondents. To introduce myself, I am Asma Abdulwasea Al-Hosam, a Yemeni student who is doing a master of human resource management program at the Universiti Utara Malaysia, Sintok, Malaysia. Here we kindly request you to spend nearly 20-30 minutes of your valuable time in order to fill out this questionnaire which is related to the level of employees' satisfaction in the Islamic bank system in Yemen. This questionnaire is the research instrument I am using in order to complete the doctoral requirement of my dissertation.

For you king information, the package you have received has two copies of the questionnaire in both Arabic and English. I am kindly requesting you to complete the one you prefer its language. My representative or I will be back to pick-up the questionnaires in the enclosed envelop within 10 days.

Dear Respondent: Your responses are very important and will be kept strictly confidential for the sake of knowledge. If you have questions, please contact me at: E-mail:sada_alwijdan@hotmail.com;Tel: 0060124662784; Mailing address:17, 2D, Sisiran Sintok 06010, Kedah ,Malaysia. Or my supervisor Assoc. Prof. Dr. Husnah Johari

Once again we would like to express sincere appreciation for your cooperation.

Most cordially,

Asma Al-Hosam

Universiti Utara Malaysia

Sintok, 06010, Kedah

Malaysia

Employees' Survey 2011

Section I

In this section, we are interested in your opinion about the Psychological empowerment. Please read the following statement and circle the number that most accurately reflects your opinion on each statement. (Spreitzer,1995)

1	2	3	4	5
Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

1.	The work I do is very important to me.	1	2	3	4	5
2.	My job activities are personally meaningful to me.	1	2	3	4	5
3.	The work I do is meaning to me	1	2	3	4	5
4.	I am confident about my ability to do my job.	1	2	3	4	5
5.	I am self-assured about my capabilities to perform my work activities.	1	2	3	4	5
6.	I have mastered the skills necessary for my job.	1	2	3	4	5
7.	I have significant autonomy in determining how I do my job.	1	2	3	4	5
8.	I can decide on my own how to go about doing my work.	1	2	3	4	5
9.	I have considerable opportunity for independence and freedom in how I do my job.	1	2	3	4	5
10.	My impact on what happens in my department is large.	1	2	3	4	5
11.	I have a great deal of control over what happens in my department.	1	2	3	4	5
12.	I have significant influence over what happens in my department.	1	2	3	4	5

Section II

In this section, we are interested in your opinion about the transformational leadership practices being practiced by your immediate supervisor in your organization. Please read the

following statement and circle the number that most accurately reflects your opinion on each statement. **Therefore, my manager**

1	2	3	4	5
Strongly Disagree	**Disagree**	**Neither Agree nor Disagree**	**Agree**	**Strongly Agree**

1.	Has a clear understanding of where we are going.	1	2	3	4	5
2.	Has a clear sense of where he/she wants our unit to be in 5 years.	1	2	3	4	5
3.	Has no idea where the organization is going	1	2	3	4	5
4.	Says things that make employees proud to be a part of this organization.	1	2	3	4	5
5.	Shows respect for my personal feelings.	1	2	3	4	5
6.	Encourages people to see changing environments as situations full of opportunities.	1	2	3	4	5
7.	Challenges me to think about old problems in new ways.	1	2	3	4	5
8.	Has ideas that have forced me to rethink some things that I have never questioned before.	1	2	3	4	5
9.	Has challenged me to rethink some of my basic assumptions about my work	1	2	3	4	5
10.	Considers my personal feelings before acting.	1	2	3	4	5
11.	Behaves in a manner which is thoughtful of my personal needs.	1	2	3	4	5
12.	Sees that the interests of employees are given due consideration.	1	2	3	4	5
13.	Commends me when I do a better than average Job.	1	2	3	4	5
14.	Acknowledges improvement in my quality of Work.	1	2	3	4	5
15.	Personally compliments me when I do outstanding work.	1	2	3	4	5

Section III

In this section, we are interested in your opinion about the job satisfaction in your Bank. Please read the following statement and circle the number that most accurately reflects your opinion on each statement. (Spector,1985),

1	2	3	4	5

		Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree

1.	I feel I am being paid a fair amount for the work I do.	1	2	3	4	5
2.	I feel satisfied with my chances for salary increases	1	2	3	4	5
3.	I enjoy my coworkers	1	2	3	4	5
4.	I am satisfied with my chances for promotion.	1	2	3	4	6
5.	When I do a good job, I receive the recognition for it that I should receive.	1	2	3	4	5
6.	My job is enjoyable	1	2	3	4	5
7.	I like the people I work with.	1	2	3	4	5
8.	I like my supervisor.	1	2	3	4	5
9.	Communications seem good within this organization.	1	2	3	4	5

Section IV

In this section, we ask you for personal information. Please be assured that your responses to these questions are confidential. Please answer each item.

1. What is your job title?

Officer		Customer Service	
Cashier		Other:	

2. What is your gender?

Male		Female	

3. What is your age?

< 25 Years		25-30 Years	
30-35 Years		More than 35 Years	

4. What is your educational background?

High School		Community College	
College Degree		Graduate(Master or PhD)	
Other:			

5. What is your educational major?

Business		Non Business	

6. How long you have been working at this bank?

< 3 years		3-5 years	
5-10 Years		More than 10 Years	

7. How long you have been working at this **JOB**?

< 3 years		3-5 years	
5-10 Years		More than 10 Years	

!!! YOUR PARTICIPATION IN THIS SURVEY IS HIGHLY APPRECIATED

Universiti Utara Malaysia

إستبيان حول موظفي البنوك الاسلامي في اليمن للعام 2011

السادة الكرام...السلام عليكم ورحمة الله وبركاته

إسمحولي في البداية أن أشكركم على موافقتكم المشاركة في هذا الإستبيان. كما أود أن أقدم لكم نفسي , أنا أسماء عبد الواسع الحسام طالبة يمنية في برنامج ماجستير في إدارة الموارد البشرية في ماليزيا.

يقوم الباحث بجمع معلومات عن مستوى الرضى الوظيفي بين الموظفين في البنوك الاسلامية اليمنية , بالإضافة الى أن نجاح هذا الإستبيان والنتائج المترتبة عليه أمر مهم لإستكمال متطلبات برنامج الماجستير , فإنها قد تكون مهمة للبنوك الاسلامية اليمنية من خلال التوصيات الهادفة الى رفع مستوى الرضى الوظيفي ومن ثم الأداء الكلي للبنوك الاسلامية.

بناءً على ذلك فأنا اكتب اليكم هنا لمساعدتي في هذا الإستبيان من خلال تخصيص 20-30 دقيقة من وقتكم الثمين لتعبئة هذا الإستبيان.

ونحن إذ نحيطكم علماً بأن هذه الدراسة تعد من أوائل الدراسات من نوعها حول البنوك الاسلامية في اليمن, لنرجو منكم الإجابة على جميع الأسئلة والعبارات والتي تتطلب رأيكم بخصوص بعض الممارسات الإدارية ومستوى الرضى الوظيفي.

أخيراً, ونحن إذ نشكر لكم تعاونكم معنا سلفاً بتعبئة هذا الإستبيان لنؤكد لكم أن هذه المعلومات ستعامل بسرية تامة ولن تستخدم إلا لغرض البحث العلمي , كما يمكن مراسلنتا على العنوان التالي لمزيد من التوضيح

أسماء عبد الواسع الحسام

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<h1 style="text-align:center">إستبيان موظفي البنوك الاسلامية اليمنية</h1>
<h1 style="text-align:center">2011</h1>

<h2 style="text-align:center">القسم الأول</h2>

في هذا القسم من الإستبيان نرغب في معرفة وجهة نظركم عن مستوى التمكين الوظيفي الممنوح لكم من قبل مديريكمفي هذا البنك. الرجاء قراءة العبارات التالية ووضع دائرة حول الرقم الذي يعكس وجهة نظركم

5	4	3	2	1
موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة

5	4	3	2	1	العمل الذي اقوم به مهم بالنسبه لي	1.
5	4	3	2	1	الأنشطة الوظيفية التي أقوم بها لها معاني خاصة بالنسبة لي	2.
5	4	3	2	1	العمل الذي أقوم به يعني لي الكثير	3.
5	4	3	2	1	أنا واثق من قدراتي للقيام بوظيفتي	4.
5	4	3	2	1	أنا متأكد من قدراتي على انجاز مهام عملي بنجاح	5.
5	4	3	2	1	لدي كل المهارات اللازمة لأداء عملي	6.
5	4	3	2	1	لدي الاستقلالية في تحديد كيفية القيام بوظيفتي	7.
5	4	3	2	1	استطيع ان احدد بمفردي كيفية القيام بمهام وظيفتي	8.
5	4	3	2	1	لدي الفرصة للأستقلالية والحرية في كيفية أداء عملي	9.
5	4	3	2	1	أثري كبير على ما يحدث في القسم الذي أعمل فيه	10.
5	4	3	2	1	اتحكم بفعالية بكل ما يحدث في القسم الذي أعمل فيه	11.
5	4	3	2	1	لدي تأثير كبير على كل ما يحدث في القسم الذي أعمل فيه	12.

<h2 style="text-align:center">القسم الثاني</h2>

في هذا القسم من الإستبيان نرغب في معرفة وجهة نظركم (رأيكم) عن مستوى الادارة التحويلية الممارسة من قبل مديريكم في هذا البنك. الرجاء قراءة العبارات التالية ووضع دائرة حول الرقم الذي يعكس رأيكم في مضمون كل عبارة.

5	4	3	2	1
موافق بشدة	**موافق**	**محايد**	**غير موافق**	**غير موافق بشدة**

	5	4	3	2	1		
						مديري :	**1.**
	5	4	3	2	1	لديه علم واضح عن توجه المنظمة المستقبلي	
	5	4	3	2	1	لديه حس واضح اين ستكون المنظمه بعد خمس سنوات	**2.**
	5	4	3	2	1	ليس لديه فكرة الى اين تتجه المنظمة	**3.**
	5	4	3	2	1	يقول الأشياء التي تجعل الموظفون فخورين بانتمائهم الى المنظمة	**4.**
	5	4	3	2	1	يحترم شعوري الشخصي	**5.**
	5	4	3	2	1	يشجع الأشخاص ليروا البيئة المتغيرة كفرص عديدة ينبغي اقتناصها	**6.**
	5	4	3	2	1	يشجعني لأفكر بالأشياء القديمة بطرق مختلفة	**7.**
	5	4	3	2	1	لديه أفكار تشجعني على أن أعيد التفكير حول بعض الأشياء التي لم أتساءل عنها من قبل	**8.**
	5	4	3	2	1	يشجعني لأعيد التفكير حول أساسيات شغلي	**9.**
	5	4	3	2	1	يقدر اعتباراتي الشخصية قبل أي فعل	**10.**
	5	4	3	2	1	يتصرف بأسلوب ينم عن إعتباره لحاجاتي الشخصية	**11.**
	5	4	3	2	1	يرى أن مصالح الموظفين يجب أن تعطى الأهتمام الذي تستحقه	**12.**
	5	4	3	2	1	يمتدحني حين أقوم بوظيفتي بكفاءة غير عادية	**13.**
	5	4	3	2	1	يمتدحني حين أقوم بوظيفتي بامتياز	**14.**
	5	4	3	2	1	يعترف بالتحسينات في جودة العمل	**15.**

القسم الثالث

في هذا القسم من الإستبيان نرغب في معرفة رأيكم تقييمكم لمستوى الرضى الوظيفي الذي تتمتعون به في هذا البنك. الرجاء قراءة العبارات التالية ووضع دائرة حول الرقم الذي يعكس تقييمكم لكل عبارة.

5	**4**	**3**	**2**	**1**

موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة

5	4	3	2	1	أشعر بان الراتب الذي اتقاضاه في وظيفتي يعادل العمل الذي اقوم به	**1.**
5	4	3	2	1	أنا راضٍ عن زيادات الراتب التي اتمتع بها في عملي	**2.**
5	4	3	2	1	أنا سعيد بالعمل مع زملائي	**3.**
5	4	3	2	1	انا راضٍ عن فرص الترقيات الوظيفية المتاحة لي في هذا البنك	**4.**
5	4	3	2	1	عندما اقوم بعملٍ جيد أجد التقدير والجزاء الذي أستحقه	**5.**
5	4	3	2	1	أشعر بأن وظيفتي في هذا البنك ممتعه	**6.**
5	4	3	2	1	أحب الناس الذين اعمل معهم في هذا البنك	**7.**
5	4	3	2	1	أحب مشرفي في العمل كما يناسبني طريقة توجيه العمل	**8.**
5	4	3	2	1	هناك تواصل مثمر وفعال بين العاملين في هذا البنك	**9.**

<u>القسم الرابع</u>

في هذا الجزء نرجو منكم الإجابة عن بعض الأسئلة المتعلقة بشخصكم الكريم و. مرةً أخرى نؤكد لكم أن هذه المعلومات ستعامل بسرية تامة ولن تستخدم الا لغرض هذا البحث .

ما هي الوظيفة الحالي؟

	خدمة عملاء		مشرف
	غيره: ارجو التحديد		صراف

الجنس

	أنثى		ذكر

العمر

	بين 25 الى 30 سنة		أقل من 25 سنة
	أكثر من 35 سنة		بين 30 الى 35 سنة

المؤهل العلمي

كلية مجتمع		ثانوية عامة	
دراسات عليا		بكالوريوس	
		غيره :أرجو التحديد	

التخصص العلمي

غيره:ارجو التحديد		علوم مالية وإدارية وإقتصاد	

فترة العمل في هذا البنك؟

من 3 الى 5 سنوات		أقل من 3 سنوات	
أكثر من 10 سنوات		من 5 الى 10 سنوات	

فترة العمل في وظيفتك الحالية في هذا البنك ؟

من 3 الى 5 سنوات		أقل من 3 سنوات	
أكثر من 10 سنوات		من 5 الى 10 سنوات	

في الختام نشكر لكم ونثمن عالياً مشاركتكم في هذا الإستبيان,,,,,

APPENDIX 3

Descriptive Statistics, Skewness and Kurtosis

Statistics

		E	TL	S
N	Valid	161	161	161
	Missing	0	0	0
Std. Deviation		.61085	.80367	.63226
Variance		.373	.646	.400
Skewness		-1.005	-.718	-.094
Std. Error of Skewness		.191	.191	.191
Kurtosis		2.814	.317	.057
Std. Error of Kurtosis		.380	.380	.380
Range		4.42	4.57	3.22
Minimum		1.58	1.14	1.67
Maximum		6.00	5.71	4.89