

# Examining a Dynamic Leadership Approach that Influences Job Satisfaction in Dynamic-Stable Environments

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## Abstract

Effectively managing the turnover of qualified staff has become a major challenge for managers. In this dynamic business era, companies in various industries experience an annual staff turnover rate of at least 10%. Scholars have linked employee turnover to job dissatisfaction and inadequate leadership styles. A quantitative non-experimental correlation study was conducted to examine the relationship between servant, transactional, and transformational leadership styles and employee job satisfaction as well as the moderating and mediating mechanisms in which this relationship occurs. The theoretical framework for this study included Harber and McMaster's dynamic leadership approach, the adaptable emphasis leadership model by Staats, and the comparative model on transformational and servant leadership by Smith, Montagno, and Kuzmenko. Data were collected using a survey of 712 adult employees working in different organizations around the world. Pearson correlation analysis, hierarchical multiple regression, and mediation testing were used to analyze data. Findings indicated that there was a correlation between transformational/servant leadership and job satisfaction, but that there was no correlation between transactional leadership and job satisfaction. Results indicated that the relationship between servant/transformational leadership and job satisfaction was stronger in stable environments than in turbulent environments, and that follower maturity mediates the relationship between transformational/servant leadership and job satisfaction regardless of the follower maturity level. Findings supported the development of a new dynamic leadership approach in which leadership style can be tailored to follower maturity and the dynamism level of the organizational environment. Results might serve as a source of policy guidance for organizational leaders to provide an appropriate leadership response to employee job satisfaction according to the maturity level of the people they lead and the frequency of organizational pressures they face.

## Introduction

Anderson and Sun (2017) showed the chaos characterized by the large number of overlapping leadership styles found in the leadership literature, which confuses leadership scholars in identifying the most effective leadership styles to optimize

organizational and follower outcomes. Because of this chaos, Anderson and Sun emphasized the urgency of moving towards a new *full-range* conceptualization of leadership style that encompasses what distinguishes existing leadership styles. Similarly, Staats (2016) discussed the need to move towards a fuller range of leadership and offered a new perspective that combines transactional, transformational, and servant leadership to achieve organizational outcomes and satisfy organizational members.

As markets, companies, generations, and business environments change, both scholars and practitioners have recognized the importance of adopting effective and dynamic leadership that adapts to the modern workplace (Harber & McMaster, 2018; Staats, 2016). Different concepts of leadership have emerged over the past decades in an attempt to achieve a dynamic leadership approach that adapts either to the organization, job situation, or person (Grobler, 1996). By diagnosing the organizational situation, Smith et al. (2004) argued that transformational leadership is adapted to dynamic organizational contexts, while servant leadership is adapted to static organizational environments that are characterized by slow change processes. Based on the job situation that may require leaders to focus primarily either on achieving job objectives or developing individuals, Staats (2016) proposed a leadership model that mixes transactional, servant, and transformational leadership styles to maximize the effectiveness of organizations and their people. From a person-oriented view, Harber and McMaster (2018) expanded Staats' model by establishing a dynamic leadership approach that adapts to an environment of diverse followers with different levels of maturity.

Harber and McMaster highlighted the mediating factors that could help leaders choose the appropriate leadership style in an environment of diverse followers, but they failed to identify the moderating factors that could help leaders diagnose their organizational situation. As such, Harber and McMaster's dynamic leadership approach considers both a job situation-oriented view and a person-centered view but ignores the importance of the organization-oriented view in determining appropriate leadership styles. Consistent with the organization-oriented view in optimizing leadership effectiveness, Smith et al. (2004) stressed the importance of the dynamism of the organizational environment in the selection of leadership styles between transactional and transformational leadership. In agreement with the importance of the organizational context, Oc (2018) pointed out that contextual factors within and outside the organization have an impact on the effectiveness of leadership. One aspect of the study was to bridge the gap related to the moderating variable (i.e., dynamism of the organizational environment) that was missing in Harber and McMaster (2018)'s dynamic leadership approach to help leaders make the right choice of leadership styles in harmony with the organization, the job situation, and the maturity level of followers. Indeed, researchers (e.g., Tepper et al., 2018) stressed the importance of matching leadership styles with the organizational environment, situational factors, and individual employee characteristics within the person–environment fit paradigm.

A quantitative non-experimental study was conducted to examine to what extent, if any, (a) follower maturity mediates the relationship between leadership styles and employee job satisfaction, and (b) the dynamism of the organizational environment moderates the relationship between leadership styles and employee job satisfaction within organizations around the world. The independent variables of the study were transformational, transactional, and servant leadership styles. Servant leadership was measured using the short version of the Servant Leadership Survey (SLS), and transformational and transactional leadership styles were measured using the Multifactor Leadership Questionnaire (MLQ-5X Short). The dependent variable was employee job satisfaction, which was quantitatively measured using the Job Satisfaction Survey (JSS). The moderating variable was the dynamism of the organizational environment that may moderate the strength of the relationship between leadership styles and employee job satisfaction. The mediating variable was follower maturity to mediate the relationship between leadership styles and employee job satisfaction. The moderating and mediating variables, namely the dynamism of the organizational environment and the maturity of followers, were statistically controlled in the study and were measured respectively using the measurement scale adapted by Akgun, Keskin, and Byrne (2008) and Employee Readiness Scale (ERS).

### **Research Questions and Hypotheses**

Three primary research questions were formulated to examine the relationship between leadership styles and employee job satisfaction:

RQ1: To what extent, if any, is there a correlation between transformational, transactional, and servant leadership styles and employee job satisfaction?

*H<sub>011</sub>*: There is no correlation between transformational leadership style and employee job satisfaction among leaders and their followers.

*H<sub>a11</sub>*: There is a correlation between transformational leadership style and employee job satisfaction among leaders and their followers.

*H<sub>012</sub>*: There is no correlation between transactional leadership style and employee job satisfaction among leaders and their followers.

*H<sub>a12</sub>*: There is a correlation between transactional leadership style and employee job satisfaction among leaders and their followers.

*H<sub>013</sub>*: There is no correlation between servant leadership style and employee job satisfaction among leaders and their followers.

*H<sub>a13</sub>*: There is a correlation between servant leadership style and employee job satisfaction among leaders and their followers.

RQ2: To what extent, if any, does environmental dynamism moderate the relationship between servant and transformational leadership styles and employee job satisfaction?

RQ2.1: To what extent, if any, does transformational leadership influence employee job satisfaction in dynamic environments?

RQ2.2: To what extent, if any, does servant leadership influence employee job satisfaction in stable environments?

$H_{02_1}$ : Environmental dynamism does not moderate the relationship between transformational leadership and employee job satisfaction.

$H_{a2_1}$ : The relationship between transformational leadership and employee job satisfaction will be stronger in turbulent environments than in stable environments.

$H_{02_2}$ : Environmental dynamism does not moderate the relationship between servant leadership and employee job satisfaction.

$H_{a2_2}$ : The relationship between servant leadership and employee job satisfaction will be stronger in stable environments than in turbulent environments.

RQ3: To what extent, if any, does follower maturity mediate the relationship between transformational, servant, and transactional leadership styles and employee job satisfaction?

$H_{03_1}$ : Follower maturity does not mediate the relationship between transformational leadership and employee job satisfaction.

$H_{a3_1}$ : The relationship between transformational leadership and employee job satisfaction will be effective when follower maturity is moderate.

$H_{03_2}$ : Follower maturity does not mediate the relationship between servant leadership and employee job satisfaction.

$H_{a3_2}$ : The relationship between servant leadership and employee job satisfaction will be associated with highly mature followers.

$H_{03_3}$ : Follower maturity does not mediate the relationship between transactional leadership and employee job satisfaction.

$H_{a3_3}$ : The relationship between transactional leadership and employee job satisfaction will be appropriate when follower maturity is low.

### **Procedures for Data Collection**

The data collection tools that were used to distribute survey links to the study participants were the online survey tools *SurveyMonkey*® and *Qualtrics* <sup>XM</sup>. The SurveyMonkey link was used by respondents contacted via Walden participation pool and social media while the Qualtrics survey link was used by respondents contacted via Qualtrics panel system to complete the study questionnaire. The study questionnaire initially designed in SurveyMonkey® was replicated in Qualtrics system to harmonize the survey questions and unify the data collected. The study questionnaire started with an eligibility criteria page that included screening questions to either qualify or disqualify respondents from taking the survey, depending on how they answer. After the eligibility criteria page, the consent page was made available to employees aged 18 and over. After the consent page, demographic questions and questions related to the instruments of the study followed for eligible participants who agreed to participate in the study. At the end of the questionnaire, participants were allowed to provide their personal contact information if they wish to receive a copy of the summary of the results of the study.

Data collection for this study took place over an 8-week period in two rounds of surveys distributed through SurveyMonkey and Qualtrics. On April 20, 2020, the study

was approved by Walden IRB, then the survey designed from SurveyMonkey was distributed to my referring friends via social media. On April 22, 2020, this survey was made visible to members of the Walden participant pool. A total of 461 participants responded to the survey invitation that I and my referring friends posted on social networks (WhatsApp and LinkedIn) and that I also posted on the Walden participation pool website. Of these 461 participants, 302 participants completed all survey questions after the first round of surveys distributed through SurveyMonkey.

One month after the distribution of the first round of surveys, the number of completed responses was only 184, thus making the sample size considerably smaller than the minimum of 344 completed responses required for this study. Given that the first round of surveys failed to generate a sufficient audience with the participants contacted via the social networks and the Walden participation pool, I launched a second round of surveys via the Qualtrics panel system to obtain the required sample size of 344 participants for this study. A total of 410 participants from the Qualtrics panel audience had fully answered all of the survey questions as of May 29, 2020, thus bringing the total of respondents to 871 and the total of completed responses to 712 when combining all responses from Qualtrics and SurveyMonkey tools. Regarding the statistical power analysis, I needed 344 participants, and the final number of completed responses (N=712) far exceeded the minimum sample size. The overall completion rate for this study was 81.74%. Such a response rate of 81.74% is considered acceptable and would not affect the validity of the results of a study (Frankfort-Nachmias & Nachmias, 2008). One hundred and fifty-eight responses (18.26%) were incomplete or failed to meet the inclusion criteria for the study and were then dropped from the study.

## Results

SPSS was used to obtain descriptive statistics that could be used to buttress the study results. The overall results showed that there is a correlation between servant leadership and employee job satisfaction, and a correlation between transformational leadership and employee job satisfaction, but no correlation between transactional leadership and employee job satisfaction. Moreover, these results showed that the relationship between (a) transformational leadership and employee job satisfaction is a moderate positive relationship that is statistically significant and (b) servant leadership and employee job satisfaction is a moderate positive relationship that is statistically significant. Furthermore, the results indicated that the dynamism of the organizational environment moderates the relationship between leadership styles and employee job satisfaction and that follower maturity mediates this relationship. More specifically, the results indicated that the relationship between servant leadership and employee job satisfaction is stronger in stable environments than in turbulent environments. The results showed that transformational leadership does not influence employee job satisfaction in highly dynamic environments more than in weakly dynamic environments. The results also indicated that follower maturity mediates the relationship between transformational leadership and employee job satisfaction regardless of the level of follower maturity

(low, moderate, high) and this mediation is more pronounced for followers who are weakly mature. Similar results showed that follower maturity mediates the relationship between servant leadership and employee job satisfaction regardless of the level of follower maturity and this mediation is more effective for followers who are weakly mature.

## **Implications**

### **Implications Relating to Existing Studies**

Researchers might use the results of this research to understand better how servant and transformational leadership styles could impact employee job satisfaction in both static and dynamic organizational environments. This research is an extension of previous studies on the conceptualization of a dynamic leadership approach, which is needed to help leaders choose a leadership style that is tailored to the needs of employees and their organization. This research was one of the first studies providing empirical evidence to support further a dynamic leadership approach in which both the maturity of followers and the dynamism of the organizational environment could help leaders select a leadership style among servant and transformational leadership. Accordingly, the primary practical contribution of this research is that it provides necessary empirical data, which provide insight into a dynamic leadership approach that influences employee job satisfaction in stable and turbulent organizational environments.

### **Implications for Empirical Theory**

This study addressed the almost total lack of research evidence on the difficulty of determining leadership styles that are well-suited for employee maturity levels to improve their job satisfaction levels in both stable and turbulent work environments. This research can then contribute to the leadership knowledge by proposing a dynamic leadership approach to learn more about how the dynamism of the organizational environment moderates the relationship between leadership styles and employee job satisfaction and how the maturity of followers mediates this relationship. Moreover, given that servant and transformational leadership styles are more effective in stable environments, environmental stability has a big role in leadership effectiveness.

The study findings suggest moving forward in the *followership* discipline, especially as the study is based on followers' perceptions of their leader's leadership styles and the importance of the follower maturity in adopting a leadership style among servant and transformational leadership. Given that the study results revealed that transformational/servant leadership is more effective for some followers than for others in terms of follower maturity, these specific results suggest that *follower characteristics* could be an important moderator of the effects of these leadership styles on employee job satisfaction. As such, the follower is a vital source of variance in understanding the leadership process dynamics and the impact of leadership styles on followers' attitudes (e.g., employee job satisfaction). Kelley (1992) identified exemplary followers as being defined by two dimensions of followership style, which included *independent critical*

*thinking* (characteristics such as being innovative and creative) and *active management in the task* (characteristics such as taking initiative, being proactive, and exhibiting a learning orientation).

### **Methodological Implications**

The results of this study do support the proposed dynamic leadership approach, which confirms the relevance of the methodological approach used in this study. In the methodology for developing a new leadership model, this study succeeded in following a solid theory-testing approach. This success has the implication that researchers should start with a conceptual approach first, then progress towards the building of a theory, as opposed to working at random or building a theory without first grounding it.

### **Implications for Practice**

The findings of this study could generate scientific thinking on the adoption of a new dynamic leadership approach in any industry in the world, which has important implications for management practices. A specific implication of this study for management practices is the suggested idea that corporate leaders and their management teams can use the proposed dynamic leadership approach to improve employee job satisfaction. The results of this study may yield practical leadership implications for managers in understanding which leadership style among servant and transformational leadership is adequate to improve employee job satisfaction when the organizational context is highly dynamic or weakly dynamic. Moreover, the results of this study might serve as a source of policy guidance by providing managers with insight into the understanding of environmental and follower conditions that help improve employee job satisfaction, which could guide them in their decision to choose the appropriate leadership style among transformational and servant leadership. As such, leadership style choices made by organizational managers impact employee job satisfaction and the organization.

In the absence of empirical research on a dynamic leadership approach, corporate managers cannot not effectively use dynamic leadership theories necessary to maintain and advance leadership knowledge in the ever-changing environment in this digital age. The results and theoretical knowledge of this study may help corporate managers to improve their leadership styles and the job satisfaction levels of their employees, which could translate into increased productivity and performance. The proposed dynamic leadership approach finds its significance for managers and their organizations in this digital age because one of the critical determinant factors of organizational success is the satisfaction of its employees.

The results of this study could be considered for incorporation in leadership training curriculums. If leadership trainers can successfully develop future leaders to increase their use of servant and transformational leadership qualities, then improvements in employee job satisfaction can be expected. When training leadership styles within organizations, it will be helpful for trainees to specify the organizational context in which

a leadership style is adequate when planning lessons and designing leadership curriculums. Instructors may also apply the results of this study to account for employee maturity in adopting a leadership style among servant leadership and transformational leadership. Given that the leadership style manifested by organizational managers reflects their knowledge, skills, and abilities, fostering the development of a dynamic leadership approach that applies to different leadership styles and that is based on follower maturity and the organizational context might enhance staff job satisfaction.

The results of this study provide a strong indication that transactional leadership is not significantly correlated with employee job satisfaction. Given that there is a statistically significant correlation between transformational/servant leadership and employee job satisfaction, organizational leaders should focus on transformational and servant leadership styles rather than transactional leadership when it comes to improving employee job satisfaction. The results of this study imply that transactional leadership has no direct impact on employee job satisfaction, which indicates that transactional leadership may have less value than expected in promoting employee job satisfaction. Such a finding can bring practical values to organizations.

### **Positive Social Change Implications**

The potential impact on social change from this study proves to be positive. The results of this study indicated a moderate, positive correlation between transformational / servant leadership and employee job satisfaction. These findings point to strategies that might support the efforts of organizational managers to improve employee job satisfaction and then decrease staff turnover rates within organizations. As a result, such a decrease in staff turnover rates within organizations can greatly help organizations in gaining a competitive advantage at the employee level.

The implications of social change within organizations involve considering the organizational context in which the organization evolves and the situation of the employee (i.e., the maturity of the employee) to navigate between servant and transformational leadership styles to improve employee job satisfaction. According to the proposed dynamic leadership approach, the choice of leadership styles is dynamical and situational, so organizational leaders must be flexible and adopt the appropriate leadership style depending on the situation and context. Moreover, the proposed dynamic leadership approach showed that the leadership style required for an individual varies from one situation to another depending on the employee's situation - employee maturity- and the organizational context- the dynamism level of the organizational environment.

The findings of the study could inspire human resource academics within organizations to revise their leadership curriculum to prescribe the leadership styles appropriate to the levels of environmental dynamism and maturity of employees. By determining the leadership styles that are appropriate for employees, organizational leaders could apply the results of this study to their organization as a way to increase employee job satisfaction, thus effecting positive social change for the employees within



organizations. Those results could also be extended to employees of other companies operating in the same countries by considering the similarity of cultures. This study should not only stimulate other researchers intellectually to conduct additional studies, but it also has the potential to affect positive social change by encouraging decision-makers in companies and organizations around the world to develop staff leadership skills.

### Conclusions

The results generated in this study should serve as a baseline study that provides a conceptual and empirical basis for future research on a dynamic leadership approach that applies servant and transformational leadership styles to improve employee job satisfaction through situational and contingency variables. This study is particularly useful for human resources and leadership development professionals who can better adjust leadership styles in their organization as new information emerges, or, under certain circumstances, to achieve expected organizational outcomes (e.g., employee job satisfaction). From a practical point of view, organizational leaders should adjust their leadership style according to the maturity level of the people they lead, the context in which they lead, and the frequency of external pressures they face. This study promotes a dynamic leadership approach that leaders can employ when the situation requires them to use a different leadership style by examining the maturity level of their employees and the dynamism level of the organizational environment for signals on when it is appropriate to adopt transformational leadership over servant leadership.

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