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“Carrot and stick” leadership style
Can it predict employees’ job satisfaction in a contemporary business organisation?
Kwasi Dartey-Baah and Emmanuel Ampofo
Department of Organisation and Human Resource Management, University of Ghana Business School, Accra, Ghana

Abstract
Purpose – The purpose of this paper is to examine the relevance of “carrot and stick” (transactional) leadership style in predicting employees’ job satisfaction in a modern business organization.
Design/methodology/approach – The study was cross-sectional in nature and made use of structured questionnaire to collect data. Stratified and simple random sampling techniques were used to select the respondents. In total, 215 questionnaires were returned by respondents out of the 220 administered. Taylor and Bowers (1974) overall job satisfaction questionnaire and Bass and Avolio (2004) multifactor leadership questionnaire, were used to measure job satisfaction (α = 0.812) and transactional leadership style (α = 0.761), respectively. Simple linear regression was also used to predict the relationship between the constructs.
Findings – Results indicated significant and positive relationship between managers transactional leadership style and employees overall job satisfaction (β = 0.292, p < 0.001). Moreover, contingent reward (β = 0.313, p < 0.001) and management by exception (active) (β = 0.208, p < 0.001) were, respectively, found to be statistically significant and positively related with job satisfaction. However, there was no significant relationship between management by exception (passive) and job satisfaction.
Originality/value – This study adds to research that transactional leadership is broadly ideal for employees of manufacturing firms in Ghana where tasks are routine, objectives are clearly stated and work outputs can easily be measured.
Keywords Job satisfaction, Leadership style, Transactional leadership
Paper type Research paper

Introduction
The fact that the Ghanaian economy, like those of many other developing economies in Africa and around the world, is facing substantial issues caused by unemployment does not mean that organizations should not be concerned about the satisfaction levels of their employees. In economies where unemployment is an issue, employees often feel compelled to cling on to their work no matter how depreciatory the conditions may be at their workplaces, and most employers take advantage of such situations to treat their employees badly (Harper and Jones, 2011).

Organizations invest much in training employees and sometimes go further to poach talented employees from other organizations. These options are expensive to undertake, but organizations do so with the intent of achieving success. Hay (2002) has asserted that organizations should pay attention to retaining employees because employee turnover is associated with high costs and can affect organizations’ operations badly. In order to reduce employee turnover, organizations tend to concentrate on increasing employees’ job satisfaction because job satisfaction is an important organizational outcome that has a rippling effect on commitment and
turnover intentions. Thus, satisfied employees are committed to their organizations (Mehdi et al., 2013), increase organizational performance (Spector, 1997) and consequently respond negatively to turnover (Wong et al., 2001).

Also, it is believed that factors such as globalization, advancing technology, interweaving human relationships, and knowledge transformation have made the business environment unduly turbulent, chaotic and challenging (Kanter, 1995; Tandoh, 2011) and that, until managers adopt prudent strategies, it will be difficult to satisfy employees and reduce their turnover. Bryman (1992) described transactional and transformational leadership styles as the “new leadership” paradigm. A transformational leadership style provides followers with a sense of self-belief so that they can create a better future for their organizations (Jha, 2010). On the other hand, a transactional leadership style is one where leaders offer rewards to followers for their excellent performance and punish them for their poor performance (Bass and Riggio, 2006). Relatively speaking, more recognition has been given to transformational leadership styles than to transactional leadership by organizations because managers tend to be concentrated on meeting production line targets using positive rewards and they do not usually threaten punishments for poor performance as this is understood to be ineffective where managers are focused on employees’ developmental needs. Bass (1985) avers that transformational leadership leads to high levels of follower motivation and performance. However, that story seems to be different, particularly in the Ghanaian context, where employees complain and agitate about their conditions of service, especially their salaries. The interesting aspect of this is that labour agitation, which was often seen as a popular recourse for public sector workers, is now also common amongst private sector employees. So, the question now is, to what extent will Ghanaian managers believe that employees are most productive in response to the provision of positive rewards? A clear distinction between the transactional leadership style and the transformational mode of leadership is that the former relates to satisfying extrinsic needs or lower order needs, whereas the latter satisfies intrinsic needs or higher order needs. According to Maslow (1943), until one attains basic needs (i.e. food, shelter, etc.) others will remain unattainable. Thus, a clear-cut way for employees to achieve lower order needs is by highlighting specific task performance (Hargis et al., 2001), which is a characteristic of most employees working for Unilever Ghana. Also, Bass (2000) has asserted that, to be described as an effective leader, one needs to accommodate the interests of employees by giving contingent rewards, honour and promises to those who really excel in achieving organizational goals.

Research problem

Findings from research conducted on the associations between transactional leadership styles and job satisfaction have been inconclusive. Whereas Hongnou et al. (2014), Rizi et al. (2013) and Janssen and Yperen (2004) have found a positive relationship between transactional leadership and employee job satisfaction, Amin et al. (2013) and Ali et al. (2013) have indicated that there is a non-significant relationship between transactional leadership and employees’ job satisfaction. The inconclusive nature of this association calls for further studies to be undertaken so as to understand what really is the nature of the relationship between managers’ transactional leadership styles and employees’ job satisfaction. In addition, significant numbers of those studies conducted on the link between transactional leadership styles and job satisfaction are pertinent to Asian and Western countries, but not too many are based on African cases (Ali et al., 2013; Peterson et al., 2012; Negussie and Demissie, 2013). This raises the issue of
generalizability or suitability, since the context of research could influence its findings. Hence, this study is relevant in the Ghanaian context, and it has a particular focus on private manufacturing firms like Unilever Ghana. Furthermore, the choice of this firm was informed by Paracha’s et al. (2012) suggestion that an organization should adopt a transactional leadership style for the overseeing of routine tasks.

The conceptual model proposed in the paper (Figure 1) emphasizes the interaction of transactional leadership with aspects of job satisfaction.

**Transactional leadership**

The word “transaction” connotes an “exchange” between two parties. According to Howell and Hall-Merenda (1999), the foundation of transactional leadership is an “exchange”. Burns (1978) had already described this exchange as a social exchange by which leaders depend on rewards and punishments to increase their employees’ performance in their organizations. Thus, such leaders may either offer rewards, such as praise and recognition, to employees for remarkable or desired performance, or threaten employees with punishment, such as forfeiture of incentives and suspension, for poor performance. In view of this exchange philosophy, transactional leadership is most concerned with setting standards that individual followers are expected to adhere to strictly in order to measure their performance against set standards. Bass (1985) opined that transactional leaders create the basis for relationships between themselves and their followers by specifying expectations, clarifying responsibilities and providing

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**Figure 1.**
An elemental model of transactional leadership and job satisfaction
recognition and rewards in order to achieve the levels of performance expected. By explicitly outlining standards to followers, the leaders essentially inform followers of the need to complete tasks on and within time. Burns (1978) contended that transactional leaders have a singular objective, and that is to ensure that employees complete tasks on time to achieve organizational outcomes. Long et al. (2013) asserted that followers led by transactional leadership styles are expected to perform their tasks in accordance with the instructions of their leaders. It is also believed that transactional leadership is good when it comes to making sure that specific targets are met in organizations (James and Collins, 2008). As a result of this, transactional leaders are interested in the first stages of development, centred on goals and individual agendas, as an attempt to fulfill the needs of individuals without the consideration of others’ needs, such as personal values (Bass, 1985). Sergiovanni (1990) reiterated that transactional leadership largely satisfies the lower level or extrinsic needs of followers. However, the fact that transactional leadership places prominence on an exchange of rewards does not mean that rewards should not be worthy of merit in the eyes of followers. Thus, the rewards leaders offer should be appropriate enough to stimulate followers to strive after them (Pearce and Sims, 2002). Also, Hartog et al. (1997) asserted that the rewards that leaders give to their followers as a result of them meeting leaders’ expectations should be valuable. Hence, effective transactional leaders do not only identify employees’ accomplishments but reward employees accordingly too. Riaz and Harder (2010) believed that rewards should be desirable enough to inspire followers when they outperform their tasks because positive rewards come with concrete success for employees in terms of their career growth, their compensation and their supervisors’ satisfaction. Flood et al. (2000) indicated that transactional leaders use rewards as a distinctive and primary source of power in their relationships with followers. However, they added that followers will give themselves up to maximum compliance when the rewards that leaders tend to offer meet their needs. Similarly, it is not surprising that transactional leaders do not spare followers who slack or perform poorly. They are of the view that the best way to put such employees on track is to exercise punitive measures against them. Bass and Riggio (2006) wrote that a leader awards followers for their excellent performance and punishes them for their poor performance. Transactional leaders perceive punishment as the only measure to remind poorly performing employees of the need to achieve set targets. Hence, transactional leaders do not countenance any deviation from agreed goals on the part of employees. In this regard, although transactional leadership may lead to followers’ absolute compliance, the likelihood that followers may fall short of exploiting their own creativity to complete tasks when doing something new, will increase due to the fear of failure and punishment. Lee (2008) opined that transactional leadership has a negative impact on innovation.

Research indicates that transactional leadership is characterized by contingent rewards and management by exception (Bass and Stogdills, 1990; Bass and Avolio, 1994; Antonakis et al., 2003).

**Contingent reward**
This is when leaders provide rewards in exchange for achieving targets and these targets are set on short-term and measurable bases. According to Nicholson (2007), leaders clarify the tasks that followers need to achieve and use rewards to achieve results. The rewards that leaders offer are supposed to benefit employees immensely, to the extent that they would transcend their own immediate self-interest for the sake of
the entire organization. Avolio et al. (1999) averred that in order to establish effective transactional leadership, there should be an appropriate use of contingent rewards which might act as an important feedback channel by which followers’ expectations might be understood with regard to their performance.

**Management by exception**

According to Hargis et al. (2011), there are two types of management by exception: active and passive. Active management by exception occurs when leaders actively appraise and monitor the work of subordinates and make sure that predefined standards are met (Antonakis et al., 2003). Such leaders do not wait for things to deteriorate before intervening; rather, they try to identify and prevent any diversions from the prime objectives of the organization. On the other hand, passive management by exception comes about when leaders ensure that followers meet predetermined standards and they do not intervene unless problems arise, or if noncompliance occurs (Antonakis et al., 2003). Such leaders believe in the ability of their subordinates to execute assigned tasks perfectly even in times of challenge, and that there is no need to interfere unless problems arise and become compounded.

However, researchers have criticized transactional leadership for several reasons (Patiar and Mia, 2009). Key among these is that followers are not made to make decisions on any task they are given. Thus, transactional leadership can stifle initiative and suppress the emergence of innovative ideas (Bass, 1985).

**Job satisfaction**

The concept of job satisfaction is one of the most regularly measured organizational outcomes in both research and applied settings and it has been researched extensively as part of organizational behaviour and organizational psychology (Spector, 1997; Eric et al., 2007). It is regarded as a non-trivial issue for every organization because satisfied employees are, by and large, known for their good performance (Sattar et al., 2012), and they make immense contributions to their organizations’ capacities for becoming more productive, loyal, efficient and committed to work (Hunter and Tietyen, 1997; Syptak et al., 1999). Galup et al. (2008) have contended that poor employee job satisfaction can cripple an organization and that satisfied employees are normally characteristic of successful organizations. Syptak et al. (1999) categorically stated that “a happy employee is a productive employee”. Amburgey (2005) added that job satisfaction functions as a key element of success in an organization.

Various definitions of job satisfaction abound in the extant literature. Locke (1976) defined job satisfaction as a pleasurable or positive emotional state resulting from an appraisal of one’s job and job experience. Rocca and Kostanski (2001) posited that job satisfaction is a general attitude towards the job, related to the difference between the rewards employees receive and the amount they believe they should receive. Much is dependent on the difference between what any given person actually gains from their job and what they expect from it (Porter and Lawer, 1973; Castle et al., 2007). According to Spector (1997), job satisfaction is all about the feelings that an employee has about their job and the various aspects of their work. This implies that job satisfaction consists of a composite kind of satisfaction on one hand, and facets of satisfaction on the other (Voon et al., 2011). Spector went on to consider job satisfaction as an important concern for every organization because it centres on perspectives of humanitarianism (i.e. employees deserve to be treated fairly and with due respect) as well as utilitarianism (whereby job satisfaction can lead to employee behaviours that
affect organizational functioning and performance). According to Bushra et al. (2011), job satisfaction is based on the emotional responses of individuals towards their work or workplace and these emerge from employees’ experiences of their jobs.

The levels of satisfaction that employees derive from their jobs predict their attitudes towards work, as they are likely to expend more effort in achieving organizational outcomes in situations where they are content. Robbins (1993) asserted that a person with high job satisfaction appears to hold generally positive attitudes, whilst dissatisfied employees tend to hold negative attitudes towards their working situations. Similarly, Voon et al. (2011) opined that one of the best ways for organizations to attract and retain skilled employees is to enhance employee job satisfaction. Perception is a functional indicator for job satisfaction. Sometimes, what an individual may perceive to be satisfactory may differ from what another person might initially have considered to be unimportant. Sempane et al. (2002) diverged from the usual emotional feeling of an individual experiencing job satisfaction and asserted that job satisfaction is an outcome of an employee’s perception and evaluation of their job, which is influenced by their own unique needs, values and expectations, and which they consider as being essential to them. If employees perceive that their leaders do not treat them as well as they expected and that they are also remunerated more poorly than they feel is just, they are more probable to develop negative feelings towards their work, their supervisors or their co-workers (Luthans, 2005).

Job satisfaction is fundamental for organizations because it raises up employees’ appreciation of their organizations. According to Wan and Leightley (2006), job satisfaction gives organizations direct competitive advantages. Ali et al. (2013) reported that employees from selected manufacturing companies in Mogadishu, Somalia, enjoyed working conditions (working hours and workload) that led to high levels of employee productivity. In Mombasa County, Kenya, a significant number of sampled secondary school principals (63.3 per cent) said that job satisfaction affected their performance at work (Gathungu and Wachira, 2013). Similarly, Cherotich (2012) indicated that rewards can motivate, energize and direct behaviour, attract and retain qualified, high-performing workers and can greatly influence an organization’s success, especially if workers perceive their efforts to be of value. From the perspective of employee retention, studies have indicated that job satisfaction plays a key contributory role in this. Kwenin et al. (2013) indicated that job satisfaction, particularly reward systems, not only led to equity, but also increased employee retention rates at Vodafone Ghana. Similarly, Obasan (2011) found that extrinsic sources of job satisfaction had a direct impact on absenteeism at Black Horse Industries Limited in Oyo State, Nigeria.

Furthermore, researchers have strived to unravel and understand the key facets of job satisfaction in organizations. Spector (1997) explained that job satisfaction is derived from any aspect of a job that produces feelings of satisfaction or dissatisfaction. To him, the facets of job satisfaction are complex and interrelated, and therefore researchers need to understand them. In his study, Spector found nine facets of job satisfaction. These facets are pay, promotion, supervision, benefits, contingent rewards, operating procedures, co-workers, the nature of the work and communication. Also, Maslow (1943) advanced one of the best known theories of motivation termed the “needs hierarchy theory”. Maslow advocated that satisfaction could be theorized as a pyramid that consisted of five distinct horizontal levels. The five needs are physiological, safety, affection, esteem and self-actualization. Later, Herzberg (1959) studied 200 accountants and engineers from nine different
companies in the Pittsburgh area of the USA and found that achievement, recognition, growth, advancement, responsibility and work were associated with employees’ job satisfaction. Additionally, he found that factors such as interpersonal relationships, salary, security, policies, administration, supervisors’ competence and conditions of work influenced job satisfaction.

**Transactional leadership and job satisfaction**

Research indicates that employee job satisfaction is influenced by factors in the internal organizational environment such as organizational climate, staff relationships and leadership styles (Seashore and Taber, 1975) with much stress placed on the influence played by leadership behaviour on employee satisfaction levels (DeCremer, 2003). From House’s (1976) perspective, leadership style influences the level of employee job satisfaction in organizations. However, different styles of leadership exist and the preferred and best-practised are dependent on the culture and context of the organization (Shahin and Wright, 2004; Jing and Avery, 2008). In contemporary research and business practice, the focus is geared towards both transactional and transformational leadership styles, although the latter has received some preference over the former. Nevertheless, Parry and Proctor-Thomson (2002) have argued that transformational leadership becomes inapplicable particularly when the examination, praise and assessment of a leader does not really guarantee the followers’ honesty. Thus, the use of transactional leadership styles is vouched for in organizations where objectives are explicitly stated. Prior research has confirmed the significance of transactional leadership styles in predicting employees’ job satisfaction. The study by Hongnou et al. (2014) of principals’ leadership and teachers’ job satisfaction in the public completed secondary schools of the Lao People’s Democratic Republic in Vientiane, found that transformational leadership styles as well as transactional leadership styles had significant and positive relationships with facets of job satisfaction (achievement, recognition, salary, work itself, advancement, working condition, company policy and relationships with others). Similarly, Rizi et al. (2013) investigated the relationship between leadership styles and job satisfaction amongst employees of physical education organizations. The findings indicated that there was a positive relationship between transactional leadership and job satisfaction which was even stronger than the relationship between transformational leadership and job satisfaction. According to Islam’s et al. (2012) study, the transactional leadership style was found to enhance the performance of university students in Punjab, India. It was also found that motivated students perform better when compared with unmotivated students. That finding was not at odds with Watson’s (2009) discovery that conditional rewards as well as supervised changes were positively and significantly related to the internal motivations for 3,069 technical employees which affected their job satisfaction. For Janssen and Yperen (2004), transactional leaders enhance the performance of their followers by increasing their job satisfaction.

However, some previous researchers have found that employee job satisfaction is not dependent upon the transactional leadership style. In Mogadishu, Somalia, Ali et al. (2013) examined the relationship between leadership styles and job satisfaction amongst instructors working at three selected universities. They found no significant relationship between job satisfaction and transactional leadership styles. Amin et al. (2013) explored the interplay between leadership styles and faculty job satisfaction (intrinsic, extrinsic and overall) at a public university in Pakistan and found that, whereas transformational leadership had a strong positive and significant relationship
with job satisfaction, transactional leadership had a negative and insignificant effect on the faculty’s intrinsic, extrinsic and overall job satisfaction levels. Similarly, Yun et al. (2007) found no significant relationship between transactional leadership styles and job satisfaction. This was discovered when they examined how a team’s organization with respect to citizenship related to leadership and job satisfaction.

That notwithstanding, some studies have examined the components of transactional leadership styles in respect of their influence on followers’ job satisfaction. Voon et al. (2011) examined the influence of leadership styles on employees’ job satisfaction in public sector organizations in Malaysia. The findings showed that transactional leadership had a negative relationship with job satisfaction. Specifically, the results indicated that only contingent rewards, occasioned by the employment of transactional leadership, had any significant relationship with working conditions and work assignments. Moreover, when examining the relationship between the leadership styles of nurse managers and nurses’ job satisfaction at Jimma University Specialized Hospital (JUSH) in Ethiopia, Negussie and Demissie (2013) found that as far as transactional leadership was concerned, only contingent reward was significant and related to extrinsic and intrinsic job satisfaction. This finding was attributed to the fact that nurses at JUSH considered contingent rewards as one of the consequences of the transformational leadership style. This confirmed Medley’s and Larochelle’s (1995) assertion that it is unusual for an individual to receive special recognition or to be rewarded tangibly for outstanding performance in the nursing profession. However, this was not the case related by Bass’s (1985) study of industrial managers in which he claimed that contingent reward is a feature of the transactional leadership style.

Additionally, Eskandari et al. (2014) found that transactional leadership styles influence employees’ job satisfaction in their study of the Agricultural Ministry in Eastern Azerbaijan. Specifically, the study’s findings indicated that managers who apply a transactional leadership style involving continuous rewarding and management by exception (active) increased job satisfaction. Likewise, Dastoor’s et al. (2003) study, “Transformational Leadership and Cultural Values in Thailand: Faculty Perceptions of University Administrators”, found that contingent reward and management by exception (active) were positively and significantly related to faculty job satisfaction. However, management by exception (passive) was found to be insignificantly related to faculty job satisfaction. A similar finding was indicated by Webb’s (2003) study on “Presidents’ leadership behaviours associated with followers’ job satisfaction, motivation towards extra effort, and presidential effectiveness at Evangelical Colleges and Universities”. In that study, contingent reward was found to be positively and significantly related to faculty job satisfaction. By contrast, the findings of Dastoor et al. showed that management by exception (active) had a strong negative and significant relationship with faculty job satisfaction. Also, Webb’s findings indicated that management by exception (passive) had an insignificant relationship with faculty job satisfaction. In Taiwan’s higher education sector, both contingent reward and management by exception (active) had no significant influence on instructors’ job satisfaction (Sung et al., 2010).

So, on the basis of the arguments above, the following hypotheses were tested:

**H1.** There is a significant, positive relationship between transactional leadership and employees’ job satisfaction.

**H1a.** There is a significant, positive relationship between contingent reward and employee job satisfaction.
H1b. There is a significant, positive relationship between management by exception (active) and employee job satisfaction.

H1c. There is a significant, positive relationship between management by exception (passive) and employee job satisfaction.

Methodology

Sample and procedure

For this study the employees at the Tema main plant of Unilever Ghana were questioned. In all, the target population numbered 512 individuals. Of this number, 202 respondents were sampled using Krejcie and Morgan (1970) formula for sample size determination. Ultimately, 215 questionnaires (97.7 per cent) were collected from respondents from the total of 220 given out. The questionnaires were self-administered.

In order to ascertain the sample size from the seven departments of the company (corporate affairs, supply chain, human resources, IT, finance, legal and marketing), this study adopted stratified random sampling. The primary objective was to ensure a fair representation of employees was drawn from each department. This was made more easily attainable by using a sampling frame containing the names of the employees in each department. Having this frame in place, the researchers relied on the lottery method of simple random sampling to select the respondents from each stratum (department) of the frame. Simple random sampling was used with the intent of giving every employee an equal chance of being selected. However, critical and ardent consideration was attached to ethics such as privacy, confidentiality and voluntary participation.

Measures

Transaction leadership \( (\alpha = 0.761) \)

The 12-item multifactor leadership questionnaire developed by Avolio and Bass (2004) was used. Its rating scale ranged from “0 = not at all”, through “1 = once in a while”, “2 = sometimes”, “3 = fairly often”, to “4 = frequently, if not always”. A representative item statement was, “My manager provides me with assistance in exchange for my efforts”.

Job satisfaction \( (\alpha = 0.812) \)

A seven-item scale developed by Taylor and Bowers (1972) was used to measure job satisfaction. A five-point Likert-scale ranging from “1 = completely satisfied”, through “2 = satisfied”, “3 = neutral”, “4 = unsatisfied”, to “5 = completely unsatisfied” was used. An example of a question item asked was, “All in all, how satisfied are you with the persons in your work group?”

Analysis

The researchers assessed the hypotheses of this study by using simple linear regression. Simple linear regression was used because it establishes a linear relationship between a predictor variable and a dependent variable and, from that, any error or residual is normally distributed and uncorrelated with the predictor (Leech et al., 2005). Preliminary tests were conducted to check for normality.

Results

Table I shows the descriptive statistical measurement for the three dimensions of the transactional leadership style. Contingent reward obtained the highest mean score
of 4.12, whereas MBEP scored the lowest mean of 2.48. MBEA obtained a mean score of 3.12. These results imply that among the dimensions of the transactional leadership style, contingent reward is the one preferred by employees at Unilever Ghana. Tables II and III show the descriptive statistical measurement of job satisfaction and its facets. From Table II, the mean score for overall job satisfaction was 2.19 and this signifies that employees are somewhat satisfied overall with their jobs. Table III shows that satisfaction with pay has the highest mean score of 2.56. Both satisfaction with co-workers and satisfaction with jobs recorded the lowest mean scores of 2.08 each. Satisfaction with the organization, satisfaction with personal progress, satisfaction with supervisors and satisfaction with promotion opportunities scored means of 2.21, 2.18, 2.15 and 2.10, respectively. The results indicate that employees at Unilever Ghana are satisfied with their pay more than with any other facet of their working lives that contribute to job satisfaction. Also, they are not satisfied, or least satisfied, with their co-workers and their jobs.

Results in Table IV confirmed $H1$, that transactional leadership is significantly and positively related to overall job satisfaction ($\beta = 0.292$, $p < 0.001$). An $R^2$ value of 0.085

<table>
<thead>
<tr>
<th>$n$</th>
<th>Mean</th>
<th>SD</th>
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<td>MBEA</td>
<td>206</td>
<td>3.1214</td>
</tr>
<tr>
<td>MBEP</td>
<td>206</td>
<td>2.4842</td>
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</table>

**Table I.** Descriptive statistics for dimensions of transactional leadership

<table>
<thead>
<tr>
<th>$n$</th>
<th>Mean</th>
<th>SD</th>
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<tbody>
<tr>
<td>Job satisfaction</td>
<td>206</td>
<td>2.1949</td>
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</tbody>
</table>

**Table II.** Descriptive statistics for overall satisfaction

<table>
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<tr>
<td>Co-workers</td>
<td>206</td>
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<td>Supervisors</td>
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<td>2.15</td>
</tr>
<tr>
<td>Job</td>
<td>206</td>
<td>2.08</td>
</tr>
<tr>
<td>Organization</td>
<td>206</td>
<td>2.21</td>
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<tr>
<td>Pay</td>
<td>206</td>
<td>2.56</td>
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<td>Personal progress</td>
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<td>2.18</td>
</tr>
<tr>
<td>Promotion opportunities</td>
<td>206</td>
<td>2.10</td>
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</table>

**Table III.** Descriptive statistics for dimensions of job satisfaction

<table>
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<th>$B$</th>
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<th>$\beta$</th>
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<tr>
<td>Intercept</td>
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<td>0.332</td>
</tr>
<tr>
<td>Transactional</td>
<td>0.471</td>
<td>0.108</td>
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**Table IV.** Results of simple regression: Job satisfaction on transactional leadership

Notes: $R^2 = 0.085$; $F = 18.975$; *$p < 0.001$
meant that 9 per cent of the variation in job satisfaction was explained by transactional leadership. Finally, the results in Table V offers a breakdown of how each of the dimensions of transactional leadership influenced overall job satisfaction. An $R^2$ value of 0.154 meant that 15 per cent of the variation in job satisfaction was explained by contingent reward, management by exception (active) and management by exception (passive). Also, from Table V, it can be seen that both contingent reward ($\beta = 0.313, p < 0.001$) and MBEA ($\beta = 0.208, p < 0.001$) were significantly and positively related to overall job satisfaction. Based on these results, $H1a$ and $H1b$ are obviously supported by the study. However, MBEP was found not to be significantly related to overall job satisfaction ($\beta = 0.033, p > 0.05$). Thus, this part of the findings has not confirmed $H1c$.

**Discussion**

The study findings indicate that there is a statistically positive and significant relationship between the transactional leadership style and the job satisfaction of employees working at Unilever Ghana. This finding is similar to those produced by the research conducted by Hongnou et al. (2014), Rizi et al. (2013) and Janssen and Yperen (2004), who found that managers who exhibit more of a transactional leadership style tended to increase employee job satisfaction levels. On the other hand, the findings of this study are not congruent with other previous research (Yun et al., 2007; Ali et al., 2013; Amin et al., 2013) that suggested that a transactional leadership style is not significantly related with job satisfaction, and also (Voon et al., 2011) that the relationship between transactional leadership and job satisfaction is statistically negative. This study’s finding may perhaps be attributed to the fact that Unilever Ghana is a manufacturing firm where most of its employees perform repetitive work on a daily basis to meet scheduled demands in a timely fashion. Hence, it is suggested that because Unilever Ghana’s employees are stimulated by having their objectives and tasks explicitly stipulated and clarified, and because their efforts and enthusiasm are subsequently recognized, this largely influences their happiness with their jobs. According to Long et al. (2013), followers of those employing transactional leadership are expected to perform their tasks in accordance with the instructions of their leaders. This definitely would be most appropriate in an organizational context where tasks are clearly defined and repetitive, especially since Unilever Ghana is a manufacturing firm. Second, a manufacturing firm like Unilever Ghana produces consumer goods which are physical products. Thus, having managers expecting employees to deliver to specific targets in terms of quality and quantity would not be unusual or unnecessarily difficult and this warrants transactional leadership. According to James and Collins (2008), transactional leadership is good for making sure that specific targets are met by organizations.

In addition, the study found that the contingent reward component of transactional leadership was statistically significant and positively related to overall job satisfaction. This may be due to the fact that employees are satisfied with their jobs because

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<tbody>
<tr>
<td>Intercept</td>
<td>0.968</td>
<td>0.341</td>
<td></td>
</tr>
<tr>
<td>Contingent reward</td>
<td>0.342</td>
<td>0.142</td>
<td>0.313*</td>
</tr>
<tr>
<td>MBEA</td>
<td>0.207</td>
<td>0.088</td>
<td>0.208*</td>
</tr>
<tr>
<td>MBEP</td>
<td>0.268</td>
<td>0.088</td>
<td>0.033</td>
</tr>
</tbody>
</table>

**Notes:** $R^2 = 0.154$; $F = 14.655$; *$p < 0.001$
managers offer rewards that are valuable to them. This assumption coincides with Pearce’s and Sims’s (2002) view that the rewards leaders offer to followers should be appropriate enough to stimulate them. Furthermore, Sergiovanni’s (1990) assertion that transactional leadership largely satisfies the lower level or extrinsic needs of followers was affirmed by this study for which employees showed the highest satisfaction with their pay. This finding is in line with those of previous studies (Eskandari et al., 2014; Negussie and Demissie, 2013; Dastoor et al., 2003; Webb, 2003) that contingent reward is significantly and positively related to job satisfaction. However, the finding contrasts with the work of Sung et al. (2010) which found that contingent reward was insignificantly related to job satisfaction. Moreover, management by exception (active) was significantly and positively related to job satisfaction. This may be attributed to the fact that employees are satisfied with managers who provide them with the needed and necessary support in the course of discharging their duties. Such employees contribute effectively to productivity to receive rewards and escape punishment for not meeting targets. According to Antonakis et al. (2003), leaders appraise and monitor the work of employees so that predetermined standards or targets are achieved. This finding supports those of previous studies (Negussie and Demissie, 2013; Dastoor et al., 2003) which have contended that management by exception (active) is significantly and positively related to job satisfaction. Conversely, this study did not find any support in the previous research that management by exception (active) had no significant relationship (Sung et al., 2010) or a significant negative relationship with job satisfaction. The finding that management by exception (passive) was insignificantly related to job satisfaction was consistent with previous studies conducted by Dastoor et al. (2003) and Webb (2003).

Conclusion
Job satisfaction is considered to be an important stimulant for getting employees to perform well and accomplish tasks in a timely fashion, which therefore requires managers to treat such issues with all the importance that they deserve. Thus, the need for managers to understand and appreciate the concept of job satisfaction cannot be overemphasized. Furthermore, it is also imperative for managers to understand that leadership styles have a fundamental role to play in determining employee job satisfaction.

It was noted from this study that, with the exception of management by exception (passive), employees were satisfied with their jobs when managers offered them positive rewards and closely monitored and corrected them before they deviated from assigned tasks. The study also revealed that there was a significant relationship between contingent rewards and job satisfaction. This suggests that managers can rely on contingent rewards as a means for satisfying employees in an organization where duties are specified, objectives are predefined and tasks are routine.

In such situations, a minimal premium is placed on new ways of working, as procedures are already spelt out in order to enable employees to meet targets. Thus, the transactional leadership style is a useful leadership behaviour that would enable employees to develop positive feelings about their jobs, particularly in modern manufacturing business organizations.

Implications for practice
Job satisfaction is a dominant organizational factor that helps determine the performance of employees in relation to their jobs. It is needless to state that low job satisfaction amongst employees at Unilever Ghana would have a potentially adverse
effect on work outputs which would, in turn, affect the business’s bottom line: profitability. Undoubtedly, it is therefore more important for Unilever Ghana to adopt and stick to a strategy that would get the best out of their employees by emphasizing factors that sustain job satisfaction. From this study’s findings, it is clear that the transactional leadership style is considered the most suitable leadership approach that potentially gets more out of employees. Thus, the issue of rewarding employees for good performance and punishing them for poor performance appears to fit the work philosophy at manufacturing firms like Unilever Ghana. This is because, once expectations and tasks are clearly defined; employees endeavour to complete tasks in order to meet their pre-agreed targets. Thus the introduction of extrinsic factors tends to satisfy employees more, especially where work is routine and output can be counted and measured easily.

Implication for research
Since culture continues to be a predominant determinant of leadership styles (Jing and Avery, 2008), especially when studying multinational companies such as Unilever Ghana, it would be imperative to consider the effect of culture and its relationship to leadership and job satisfaction. Culture basically takes two forms: organizational and national. In this instance, future research should be carried out in a detailed manner to explore how culture could influence the relationship between transactional leadership styles and job satisfaction. The results, upon analysis, would help to clarify whether management decisions to use a transactional leadership style were underpinned by what the company subscribes to or what the Ghanaian employees believe in. Also, key distributors (KDs) form part of and have a direct connection with Unilever Ghana in terms of the distribution of finished products. However, the opinions of employees of KDs were not factored into this research. Future research could therefore include employees of KDs to increase the research population of future studies in order to ascertain if those workers are satisfied with their jobs when their managers reward and punish them based on their performance.

References


**Further reading**


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“Carrot and stick” leadership style

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