The influence of Transformational Leadership and Job Satisfaction on Organizational Innovation in Iraqi Higher Education: A Review

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ABSTRACT — this paper presents the review of literature regarding transformational leadership, employee's job satisfaction and organizational innovation in the context of higher education institutions in Iraq. The research highlights that transformational leadership is an essential ingredient to achieve organizational innovation. Further, innovation requires satisfied employees. Transformational leadership through its idealized influence, considerate behavior and intellectual stimulation not only help raise the morale of the employees but also empowers them to take critical decisions much needed for an innovative organization. There are numerous studies that discuss leadership styles, innovation and job satisfaction, yet it is rarely to see the research done on interrelationship between transformational leadership style, organizational innovation and employees' job satisfaction. While empirical evidence exists regarding aspects of these variables, these gaps in the literature remain. Thus, the paper is an attempt to fill this gap.

KEYWORD: Transformational Leadership, Job Satisfaction, Organizational Innovation, Higher Education and Iraq.

1 INTRODUCTION

In today’s competitive world organizational success is linked with organizational performance and leadership style plays a significant role. Leadership is defined as capability of an individual to persuade and inspire others to contribute towards effectiveness and success of the organization [1]. Leaders role in an organization should be like a creative thinker, prominent, captivating and humane Tourish [2]. The leadership and job satisfaction have been extensively used in various researches to find their impact on the organizational performance and Innovation, these areas have been used independently or linkages between them. Transformational leadership style act as a driving force for organizational performance and innovation side by side job satisfaction of employees as transformational leader interact with subordinates to motivate them, and facilitate employees to work up to mark. Givens [3] stated that transformational leadership style has grabbed the attention of many researchers in past three decades. Chipunza [4] stated that transformational leadership style has shown significant achievement in growth and improvements in mergers and policies and for the development of innovative measures for higher education sector and it is worldwide documented as it plays a remarkable effect on sharing of vision and building a environment that is based on teamwork. Literature is available on past researchers regarding leadership and employees job satisfaction in business organizations, Moreover, researches on leadership styles and employee job satisfaction with innovative measures in higher education institutions specifically in Arab regions is lacking. This study reveals the hidden measures of Iraqi higher education institutions leadership styles and its impact on employee’s job satisfaction organizational innovation. The background of this study is Iraq which is a developing country in the redeveloping stage.

Iraq is situated in the Middle South- west of the Asia with a population of 30 million. In 2003, Iraqi Higher education has faced severe destruction due to war sixty one universities and 101 colleges buildings were demolish and looted. Iraqi higher education has faced great damage in terms of growth and expansion, strategy, rules and regulations building and in overall management of higher education (www.unesco.org). Kezar [5] examined the leadership styles in educational institutions, stated that transformational leadership styles plays an important role in empowering employees, trust building and inculcate the values and preferences of organizational culture among employees in order to work up to mark and to achieve the targeted outcomes. Transformational leadership has played a vital role in organizational change Tierney [6], Bass [7], Rowley [8], William [9] stated that universities and organizations globally have been forced to adapt to the drastic changes in order to be more innovative. As a result of this higher education institution leaders have made necessary

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adjustments in order to meet the required goals and objectives Rowley [8].

2 LITERATURE REVIEW

2.1 Leadership

Leadership studies Gardner [10] widely suggest that the transformational leadership style does have a positive impact in relation to employees' satisfaction. However, this satisfaction does not necessarily mean higher organizational performance Rad [11], Livi [12] explained that leader influenced the subordinates to achieve the targeted goals of the organizations. Moreover, due to increased economic instability globally lead to increased economic instability globally leadership style and innovative techniques got special attention in organizations in order to be sustainable and innovative and to get the maximum output and achievement of targeted goals. Renko [13] stated that effective leadership style and entrepreneurial initiative plays an important role to be competitive as it persuade the subordinates to be more flexible and work for the betterment of organization. Landrum [14], Bass [15], Gillings [16] Dionne [17] highlighted that leaders and management must adapt necessary measures in order to be competitive in business world. Moreover, in order to overcome the challenges of business world organization requires a competent and adaptive leader Marsh [18], Rodsutti [19], Cummings [20].

2.1.1 Theories of Leadership

- Transformational Leadership Theory

Avolio [21], Banerji [22] highlighted that that the transformational leadership model explains the leader as a change agent in the organization. states transformational approach of leadership is a phenomenal of 1980s. Burns [23] explains that “a transforming leader motivates the followers by satisfying their individual needs and persuade them to involve for the achievement of maximum over all benefits for the organizations. Furthermore, Burns [23] stated that leader plays an important role to inculcate high level of motivation and morality among the followers/subordinates.

- Trait Theory

Cox [24], Derue [25] highlighted the Transformational leadership Report, 2007 that transformational leadership defines traits in terms of personal attributes, such as temperament, personality, motives and values. Stogdill [26] stated that few researchers identified that success of leader is linked with personality of a leader. Lucas [27] stated that this failed to support the theory that the leaders personality traits links to the success of leader. Trait theorists of the 1949s to 1970s shows that some traits are related to leadership efficacy Lucas [27]. The leader as a person should be responsible enough to take on challenges tasks and objectives, entrepreneurial, problem solver, creative, confident, time management ability to persuade subordinates for overall betterment of organization Stogdill. According to Yukl [28], the row that some leader traits are entirely necessary for effective leadership has not been examine in several decades of traits research. It doesn't matter that the presence of specific trait guarantee that leader will actively solve the problems and challenges that organizations are facing. A leader may be effective in one state and may not be in another state.

- Behavioral Theory

Hersey [29] state that behavioral approaches of leadership put forward from the 1940s to the 1960s. Reserachers on behavioral theory focuses on how and what actually the leader complete an assign task. Hemphill [30] divides behavioral theory of leadership into two types. The first category deals with leaders' roles, responsibilities and task fulfillment. The second behavioral theory stresses on managerial behavior that is a key for effective leader Robbins [31]. Yukl (1998) describes about impact of leadership styles on performance of organization conducted by the Ohio State University. The study focused on obtaining feedback from respondents on how leaders behave by means of the Leadership Behavior Description Questionnaire (LBDQ). Robbins [31] stated that success of the leadership styles is a complex phenomenon. It depends upon the situations, circumstances and achieving the challenging tasks. Moreover, several researches were done in order to cutoff the situational variables. A list of several of these theories and models includes path-goal theory, situational leadership theory, the least preferred co-worker (LPC) contingency model, and the multiple-linkage model.

2.1.2 Transformational Leadership Style in Higher Education

Bass [32] and Boehke [33] stated that Transformational leadership (TFL) is a leader who believes in to meet the followers needs, stress on dramatic change in individuals and motivates subordinates to perform outstanding. In other word, transformational leader facilitate the followers after assigning the task to them and motivate them to achieve the task for the betterment of organization not only personal interest Keller [34], Steidlmieier [35] stated that transformational leader facilitate the followers in their personal problems and persuade them to work collectively for the achieving the targeted goals and objectives for the welfare of organization Keller [34]. Bass [36], perceives transformational leadership style in which leaders inspire and persuade the followers to attain greater standards of personality development, creativity, and facilitation in terms of achieving the goals and objectives. Bass [37] describe that transformational leadership motivate the employees and increases the productivity of employees. Leadership style in higher education institutions in Iraq stress on transformational leadership. Bass [38] describes transformational leadership styles in five basic considerations that will guide university leaders to implement the strategies in order to motivate the subordinates to work effectively and enhance creativity by innovative measures. Transformational leaderships comprises of five major components (1) inspirational motivation (2) Idealized Influence Attribute, (3) Idealized Influence Behavioral (4) individualized consideration and (5) intellectual stimulation. Boerner [39] explains that the idealize influence help to develop a role model for the followers. Individualized consideration category focus on followers developmental and growth tactics Bass [32]. Intellectual stimulation concerns with followers creativity and challenge them to think a solution of the problem with creativity by adopting a new way Bass [32]. Lo [40] reported that
leadership styles play an important role and act as a change agent for the organization, particularly in higher education learning. Leadership style researches in higher education modified in meaningful ways in the last fifteen years Kezar [5]. Earlier researches focus primarily on the college president, but in the last fifteen years, many research focused on leadership styles particularly among institution deans, department chairs, directors and faculty.

2.3 Organizational Innovation

Fug [41] explained that innovation in organizations means that creation of new thing and new applied thing be adopted by others. The core concept of innovation stress on the center on the newness Vander [42]. This ‘new’ can be a concept, idea, amenity, procedure, policy, process, structure, product, system, and much more west [43], Windrum [44]. Such broader meanings makes innovation to be both as incremental and radical that can also be modified or adopted from another source, innovation means something new for the organization Vander Steen [42]. Armbruster [45] stated that definition of OI is not easily agreed in innovation literature. Literature on OI is still limited and scattered (Armbruster [45],[46]; Mol [47] reflecting various definitions of the concept The first scientific studies on innovation in firms based on administrative innovation Daft [48], Damanpour [49], Damanpour [50], Ettlie [51] stresses on change in organizational structure and human resource (HR) practices. More recent papers, however, to management innovation (Hamel [52],[53], [54], Mol [47] managerial innovation Damanpour [55] and organizational innovation Armbruster [45], Battisti [56], OECD [57], Damanpour [55] put forward the definitions of administrative, organizational and managerial innovations that overlap noticeably.

2.2.1 Organizational Innovation role in Higher Education Institutions

Aiken and Hage [58] stated that organization must adopt innovative measures continually. Innovative organizations have great orientation towards creativity and that is the key for innovative change. The success of institutional efforts for change mainly depend on how much organizational individuals get the support and facilitation for creativity and risk taking decisions Siegel [59]. Moreover, for higher education institutions there is need to stimulate a internal mechanism that encourage new ideas for change and creativity adaptation. Kanter [60] stated that supportive climate may provide an empowering work environment that allows individuals to work independently and generation of new ideas. Kanter [61] highlighted some government implemented empowerment initiatives that is for encouragement of the employees for risks taking, creativity, and finding the ways that help them to best serve citizens and stakeholders. Thomas [62] argued that organizational environments influence strongly on employees empowerment as employees judgments about the observable organizational conditions are shaped by their interpretations stated that it is essential to consider the university as a organization, this understanding has a greater effect to make it as a innovative organization that relay on creativity and innovation techniques. Colleges and universities act as a fragmented, diverse organizations; they are composed of many subgroups and numerous smaller academic units with individual goals, norms, campus locations, identities, and patterns of interaction Weick, [63] stated that university have different segments with differentiation. Moreover, this unique organizational structure has been described as a “loosely coupled system An institution with loose coupling is characterized by decentralized systems and processes, limited coordination among units, greater structural differentiation, limited connections between people, and specialization and redundancy of work and functions Weick [64]. In addition, these various fragmented units are in active competition with one another for status, power, and resources.

2.3 Employees Job satisfaction

Job satisfaction is the phenomena that is point of consideration for decades Hardman [65], McKee [66]. Job satisfaction is defined as the emotional satisfaction results from one’s job experience Locke [67]. Researches on Job satisfaction linked the connections between job satisfaction and various other influencing factors Hardman [65]. Job satisfaction is generally viewed from the attitude of the worker towards the job Lawler [68]. Locke [67] highlighted three periods of thought and inquiry that are relative to job satisfaction. The first period is characterized as the Physical Economic School (Locke [67]. During this period of inquiry, little concern was shown for the individual. Its a belief that efficiency in working procedures results in expansion and growth of production (Locke [67]. Efficiency increases production and results in greater monetary rewards for individual workers Proffitt [69]. These monetary rewards in turn be a source of job satisfaction of the employees Taylor [70]. Beginning in the 1930’s, the Social or Human Relations School of job satisfaction inquiry emphasized the individual’s personal reactions to supervisory methods Hardman [65], Locke [67]. A number of management Methods were developed during this period to affect job satisfaction. The emphasis of changing management style from the job to the worker during this period encourages much public discussion and support and raising of questions that are relative to the personality of the individual Hardman [65], Trivellas [71].

2.3.1 Theories of Job satisfaction

Job satisfaction has been of considerable interest to researchers to know what motivates individuals and what satisfies them. Numerous researches use various theories of satisfaction to answer their queries. Below are given some of the satisfaction theories that have been used extensively in research regarding satisfaction.

- **Herzberg theory**

Harzberg theory is linked to (Maslow) theory. Herzberg suggested that job satisfaction and job dissatisfaction is due to different and independent sets of factors. The theory states that when people are satisfied, they characterize their satisfaction with the work itself, while when people are dissatisfied with their jobs; they are concerned with the work environment. Therefore, we can say that job satisfaction is linked by the set of factors that are related to the work itself, such as nature of job, achievement, personal growth and recognition, and promotion opportunities. These factors are stated as motivators by Herzberg, as these factors moti-
vate the people for higher performances. On the other hand, job dissatisfaction is the result of job environment such as (physical) working conditions, salary, company policies, job security, quality of supervision, and relations with others. Herzberg called these factors as hygiene (or maintenance) factors. It is not an intrinsic part of a job, but plays a vital role in preventing job dissatisfaction. Moreover, if hygiene factors are at a very low level, workers are dissatisfied, but they revere is not true. When hygiene factors are satisfied and the environment is favorable, workers are not dissatisfied neither necessarily satisfied, and they are not motivated for higher performances. However, when motivators are satisfied, workers are satisfied and often this satisfaction leads to better performances. In other words, Herzberg’s theory does not place dissatisfaction and satisfaction at “opposite ends of a single, unbroken continuum” (Kermit, Kinicki, & Buelens, 1999), but it considers satisfaction and dissatisfaction as a separate dimensions. There is a zero midpoint in which workers can be neither dissatisfied nor satisfied. Some studies have confirmed (Herzberg’s, theory stated that job satisfaction and dissatisfaction are based on different factors Other studies highlighted doubt in this theory e.g., Schneider [72], as cited in Locke [67]. Locke [67] deeply analyzed logical criticism of Herzberg’s theory, stated that Herzberg made a major contribution to job satisfaction theory, and given the to understanding of the nature of job satisfaction. But, on the other hand, the idea of separate and independent factors seemed to be logically and empirically indefensible. Locke affirmed that these factors are “separable but interdependent” In the present study, hygiene factors stronger influence on leadership is focused that according to Herzberg leads towards job satisfaction.

- **Hierarchy of needs**

Maslow’s Hierarchy of Needs is a psychological theory represented via pyramid with the more primitive needs at the bottom. Physiological needs such as breathing, food, water, sleep, excretion, and homeostasis form the base of the pyramid of human needs Maslow [73]. The next level is the safety level with the needs such as security of body, employment, resources, morality, health, family, and property. The social needs layer is located at the third level with needs such as friendship, intimacy, and a communicative and supportive family. The fourth level is esteem, which includes needs such as self-esteem, confidence, achievement, respect of others, and respect by others. The highest level is self-actualization, which includes morality, creativity, spontaneity, problem solving, acceptance of facts, and lack of prejudice. Maslow [73] stated that humans start at the bottom level of the pyramid, and once these needs are met, move on to the next level of needs. The need for self-actualization is the final need manifest when lower level of needs are met.

### 2.4 Relationship between Transformational Leadership and organizational innovation

Cooper [74] findings support Waldman [75] statement that both encouraging and persistent leaders have high expectation from their subordinates. Kanter [76] emphasized that nurturant leadership plays an important role in the initial phases of ideas generation by stimulating employees’ attention toward new ideas. Leaders can nurture innovation by encouraging followers to find out the solution of old problems in new ways. According to Waldman [75] a “persistence” leadership is essential for the generation of strong commitment and motivation during the implementation stage of innovation. Persistent leaders give off energy and enthusiasm to carry a new idea towards realization and adoption of innovation in a tangible form Nusair [77], Birasnav [78], Börjeson [79], Al-Hussein [80]. Persistent leadership is required at the implementation phase because of the excitement generated from the vision and to keep the employees motivated enough during the work which ensue the vision Kanter [76]. This is where the strength of relationship between leaders and members becomes critical. Based on a sample of 223 dyads in a manufacturing environment, Kanter [76]found that quality of leader-member exchange (LMX) seemed to influence organizational innovation as leader’s ability to raise member’s commitment to the organization. Thus, in such circumstances, the transformational leadership can play a major role in stimulation of creativity among employees and establishment of innovative environment of organization. Kanter [61] argued that middle managers are the most productive innovators as they are at the helm of operations and can generate ideas to find out the solutions of the problems they encounter.

### 2.5 Relationship between Transformational Leadership and Employees Job Satisfaction

Previous research indicates that motivation and satisfaction of employees is directly related to the leadership style Lawler [81], Chen [82], Mirkamali [83], Braun [84], Munir [85]. Moreover, it is also been empirically proved that employees’ job satisfaction is enhances when higher authorities stress on participative or consultative leadership style House [86], Reichard [87] which encourages and help the employees to set their goals and fulfilled the task assigned with the facilitation of the leader Pascale [88]. Robbins [89] highlights that managers with transformational leadership management style results in not only the better work performance of their employees but also prompt higher authorities for more job promotion opportunities. Researchers indicates that subordinates working under transformational leadership style found to have less resignation rate with higher productivity and job satisfaction.

### 2.6 Relationship between Employees’ Job Satisfaction and Organizational Innovation

Chen [90], Lambert [91], Shipton [92] highlighted that various job related behaviors, stated that employees who do combination of works at a time in their jobs are also compromising in nature and have higher satisfaction level as compared to other employees who have same nature of task every day. Researches indicates that variation in task on job is associated with creativity and innovation. Moreover, De [93] argue that it is not necessary that integration is an effective way of dealing with any kind of conflict at work place, but sometimes avoidance is better as it is related to higher team performance and effectiveness. A number of studies suggested that job satisfaction is significantly linked to innovation. Researches highlighted that satisfied employees’ are
more enthusiastic towards generation of new ideas and are more creative as compared to other employees who are not satisfied.

3 Conclusion
The purpose of this study is to determine the relationship between innovation and transformational leadership styles and employee job satisfaction. Further, it examined the influence of each innovation and transformation leadership components on employee job satisfaction. The organizational innovation components and transformational leadership aspects are positively related to employee job satisfaction. This indicates that all of the innovation and transformational leadership components emerged as the contributing factor and play important roles in enhancing employee job satisfaction.

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