

**Transformational Leadership and Employee Job
Satisfaction in Macedonian Public Sector:
Identifying the Role of Trust**

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ABSTRACT

The fundamental objectives of this study are twofold. First, to investigate the influence of employee's perception of their supervisor transformational leadership on his/her job satisfaction. Second to evaluate a potential mediating role of trust in the leader, in the relationship between transformational leadership and job satisfaction. The study has been undertaken using a sample of 140 public sector employees in Macedonia. Data were collected using self-administered questionnaires.

The results obtained from correlation and hierarchical regression analyses have disclosed that transformational leadership positively influences job satisfaction and trust in leader. However, they have failed to evidence the influence of trust in leader on job satisfaction, and thus any mediating role. The outcome of this thesis adds a modest contribution to the literature, but sufficiently to managers and policy makers in the public administration in general, and in the context of Macedonia in particular. Limitations and suggestions are further discussed.

Keywords: Transformational leadership, Job satisfaction, Trust in leader, Public sector, Macedonia.

ÖZ

Bu çalışmanın iki ana hedefinden birincisi, yöneticilerin dönüştürsel liderlik özelliği hakkında çalışanların oluşturduğu algıların, onların iş memnuniyeti üzerindeki etkisini araştırmak, ikincisi ise, dönüştürsel liderlik ile iş memnuniyeti arasındaki ilişkide ‘lidere olan güven’ faktörünün ne kadar aracı rol oynadığını değerlendirmektir. Çalışmada kullanılan veriler, Makedonya kamu sektörü çalışanları arasından örneklenen 140 kişinin her birinin kendi kendine doldurduğu anketlerle toplanmıştır.

Korolasyon ve hiyerarşik regresyon analiz sonuçları göstermiştir ki dönüştürsel liderlik, iş memnuniyetini ve lidere olan güveni olumlu etkilemektedir. Ancak, ‘lidere olan güven’in iş memnuniyetine herhangi bir aracı etkisi görülmemiştir. Bu çalışma, literatüre mütevazı bir katkı yapmakla birlikte, genelde kamu yönetimindeki idareci ve kural koyucular açısından ve özellikle Makedonya bağlamında, yeterli bir katkı koymuştur.

Anahtar Kelimeler: Dönüştürsel liderlik, İş memnuniyeti, Lidere güven, Kamu sektörü, Makendonya

I dedicate this thesis to the ones who have helped me in the person I am becoming.

My beloved mother, Verica,

My younger sister, Simona,

To myself,

To You, as a reader.

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LIST OF ABBREVIATION

JS	Job Satisfaction
MAFWE	Ministry of Agriculture, Forestry and Water Economy
MD	Ministry of Defense
MEPP	Ministry of Environment and Physical Planning
MES	Ministry of Education and Science
MF	Ministry of Finance
MISA	Ministry of Informational Society and Administration
MLSP	Ministry of Labor and Social Policy
TL	Transformational Leadership

Chapter 1

INTRODUCTION

1.1 Background of the study

One of the salient concerns of any organization or administration is to meet effectively its goals through a productive workforce. The antecedents behind such productivity include among others the employees' job satisfaction (Voon, Lo, Ngui, & Ayob, 2011), because a satisfied employee will perform better and be motivated to pursue the organization's objectives (Ardichvili, 2011) and contribute to the overall performance (Judge, Thoresen, Bono, & Patton, 2001).

Job satisfaction is a multi – disciplinary topic which has attracted attention not only in the private sector organizations but the public sector as well. A large amount of researchers have investigated the job satisfaction in the public sector, because of the importance of the public service outputs with regard to both quantity and quality provided by the public employees (Bojadjiev, Petkovska, Misoska, & Stojanovska, 2015; Kim, 2002). The working conditions may also affect the level of satisfaction of workforce in the sense that, studies have speculated that this may be due to the limited opportunities for training and development in the developing nations (Bojadjiev et al 2015).

The Republic of Macedonia is one of the poorest countries in Europe with a Gross Domestic Product (GDP) of US\$10.08 billion, and a GDP per capita of US\$4,852.7

from 2015 data, despite a 3.7% annual growth rate reported that same year (World Bank, 2016). Similar to other developing countries, it faces several problems such as lack of democratic mechanisms and biases in the administration of state institutions such as the government and the legal system (Szpala, 2016). Furthermore, there is a perception of a pronounced level of corruption, nepotism and oligarchy, skepticism and mistrust toward institutions (IRI, 2015). The perception is shared by the public employees, who have doubts over the opportunities, meritocracy, and effective management (Aziri, 2011). Public employees believe that their development is inhibited by the self-interests of a leading minority (Szpala, 2016).

1.2 Statement of the problem

In the political context above-mentioned, one of the main concerns this research sheds light on is the administration's impact on employees' satisfaction in the public sector in Macedonia. Existing research in other countries demonstrate that, factors such as the communication between the senior management and employees, and the bond with immediate supervisor are crucial factors influencing job satisfaction (SHRM, 2015). However, in a setting where most of vacant the public administrative positions are arbitrarily filled up with respect to the proximity to the ruling party and affiliation to the minority circle (Szpala, 2016), it appears that administrators' main foci are distorted towards other goals, rather than to the concern of the followers. Thus, the employees may feel reluctant and dissatisfied when experiencing such disconcert. The dissatisfaction manifests itself with poor service performance and quality the public employees deliver to the public and creates a negative perception on people's mind.

Several studies (Hughes & Avey, 2009; Judge & Piccolo, 2004; Top, Tarcan, Tekingündüz, & Hikmet, 2013) on diverse fields and specifically in the public sector (Tesfaw, 2014) has shown that transformational leadership influences employees satisfaction. Transformational leadership depicts a charismatic and visionary leader being a supporter and role model for his/her followers, and inspire them feeling of trust, fairness, loyalty, respect and integrity (Bass, Avolio, Jung, & Berson, 2003; Podsakoff, MacKenzie, Moorman, & Fetter, 1990).

Despite the plethora of work pertaining that stream of research, an extensive information mining on some academic databases (Google Scholar, Thomson Reuters's Web of Science) with the key terms "transformational leadership", "job satisfaction", and "Macedonia" has led to no substantial similar research related to Macedonia. The effect of transformational leadership on employees' job satisfaction in the Macedonian public administration has not been adequately studied or reported in the academic literature. Only few studies (Bojadjiev et al., 2015; Sardžoska & Tang, 2015) have evaluated the effects of others variables such as love of money, wok environment, and coping strategy on private and public sector employees' job satisfaction. In addition, Stojkov, Janevska, & Polenakovik (2016) found that the least or almost not practiced leadership in Macedonian context was transformational leadership, as opposed to democratic or transactional leadership style. Therefore there is a need to fill up this gap in the literature.

Moreover, trust in the leader was proven to influence employees` job satisfaction and linked to transformational leadership by previous research as mentioned by Dirks & Ferrin's (2002) meta-analytical study and recent works (Braun, Peus, Weisweiler, & Frey, 2013). The influence of a transformational leader will not be effective unless

there is a genuine connection with the employee, enabling him/her to blindly rely on the supervisor. Given the current above-mentioned socio-political context in Macedonia, it appears necessary to investigate trust in leader issue in the public administration.

1.3 Aim of the study

The primary purpose of this thesis will be to attempt to fill the gaps indicated above. Specifically, the aim will consist at evaluating whether leaders in the public sector who demonstrate a transformational leadership style are more likely to have more satisfied followers. Also we will try to investigate the role that trust will play in that relationship. Accordingly, our research questions are as follow:

- Does public administrators' adoption of transformational leadership affect their employees' level of job satisfaction?
- To which extent the job satisfaction will be affected by the trust in the leader?
- What role does trust play in the relationship between the transformational leadership and employee level of job satisfaction?

1.4 Outline of the study

The organization of this study is as follow. In the first chapter, the researcher outlines the theoretical and contextual relevance of the study to date, as well as sketching the research questions which will lead the application of the research. Chapter 2 and 3 will respectively consist of the relevant literature and the theoretical framework underpinning the research hypotheses. Chapter 4 will include and explain the methodology used to conduct the research whereas chapter 5 will disclose the analyses results and results discussion. Finally, chapter 6 will embody the implications, limitations of this work, and suggestions for prospective studies.

Chapter 2

LITERATURE REVIEW

2.1 Transformational leadership (TL)

2.1.1 Origin of TL

The early disclosure of the paradigm of transformational leadership can be traced from Burns's 1978 bestseller "Leadership". In his book, Burns recalled the analogy made between leadership and power, as these were mere referrals of political leaders of the time, in the US. He argued that leadership must not be associated to any dissuasive influence, rather, must be the outcome of a collective purpose, from which the effectiveness must be evaluated by the determination to meet and satisfy the human needs and aspirations. Thus he proposed two new different types of leadership subsequently: transactional and transforming leadership. He considered transactional leadership as process of exchange of two things, such as votes for jobs. However, he considered transforming leaders' potency to ditch follower's full engagement by identifying and seeking to genuinely satisfy his/her higher needs and motives. These two concepts then led later several scholars' attentions (Bass B., 1985; Podsakoff, MacKenzie, Moorman, & Fetter, 1990; House & Shamir, 1993), specifically Bass (1985) who later made more explicit research on these.

2.1.2 Definition and characteristics

Conversely with Burns (1978) who considered transformational and transactional leaderships as a given continuum late ends, Bass (1985) made them as two distinct concepts both characterizing an effective leader, and expanded the knowledge on

these leadership styles by providing some evident behaviors intrinsic to each (Judge & Piccolo, 2004). Thus, Bass (1996) conceptualized transformational leadership as the ability and willingness to meet a follower's high order intrinsic needs, such as self-actualization in Maslow's theory of needs (1954), transcending thereby short-termed perspectives (Conger & Kanungo, 1998).

Moreover, he regarded transformational leaders as those making their followers as disciples and thrust them to become potential leaders later on (Bass, 1996). Northouse (2013) further suggested TL as a process of an individual participation with others, connections formation in order to "*raise the level of motivation and morality in both the leader and the follower*" (Top, Akdere, & Tarcan, 2015). It is also important to note the contribution of Shamir, House, & Arthur (1993) for whom TL fundamentally pertains providing followers with incentives to transcend their egocentricity for the team of larger society benefit sake (Bellé, 2013).

The components of transformational leadership were first set to four (Bass, 1985, 1998; Bass & Avolio, 1993; Bass & Steidlmeier, 1999; Judge & Piccolo, 2004), then later five distinct parts (Bass & Avolio, 2004) referred as the 5Is of the full range leadership model: idealized influence (attributed and behavioral), intellectual stimulation, inspirational motivation, idealized influence and individualized consideration.

Idealized influence (attributed and behavioral)

Also referred as charisma, idealized influence describes a leader's appreciative behavior which appeals a follower' emotional self-identification (Judge & Piccolo, 2004). Specifically, leaders with charismatic attribution portray self-confidence and

conviction in envisioning and achieving group goals. Thus, they channel a sense of mission to followers, and instill them through moral influence (Kanungo & Mendonca, 1996) and spiritual influence (Fairholm, 1998; Kanungo & Mendonca, 1996) trust, pride, respect, loyalty, and inspiration (Antonakis, Avolio, & Sivasubramaniam, 2003; Bass & Steidlmeier, 1999; Judge & Piccolo, 2004; Van Knippenberg & Sitkin, 2013).

Inspirational motivation

A behavioral characteristic of these attributions pertain the leader appealing and inspiring articulated vision to followers, whereby he/she can provide challenges with high expectations. In setting these high performance standard, a transformational leader convey optimism to followers in engaging the task by focusing and triggering the best out of them. In such case, the leader enthusiastically communicates to followers some meanings in completing tasks for a group purpose and an attractive upcoming, on a solidarity and good work basis (Bass, 1996; Bass & Avolio, 2004; Bass & Steidlmeier, 1999; Judge & Piccolo, 2004).

Intellectual stimulation

This attribute embodies an architectural dynamic of problem solving, basic assumption questioning and reexamination, and situation evaluation processes. Through this stimulation, leaders seek, encourage and challenge their followers' transcendence in generating new and creative methods and solutions, and approaches to handy situations, and are keen to take their advices. Briefly, transformational leaders tend to intellectually boost their followers (Bass, 1997; Van Knippenberg & Sitkin, 2013).

Individualized consideration

Leaders providing individualized consideration act like coach or mentor. That is, they consider their followers individually by focusing on their personal needs and concerns in order to provide them growth and development opportunities and self-actualization. They set up an encouraging and supportive environment to their followers such that, these ones feel free to seek advice or reassurance from their leader and feel valuable, valued and important (Bass, 1997; Hemsworth, Muterera, & Baregheh, 2013).

With its 5 components, transformational leadership resides on the high end of the full-range leadership model representing the most effective and most active leadership style. The full-range leadership model is graphically represented by a tridimensional orthogonal mark with three crossing axes. The diagonal axis represents the level of frequency of the leader involvement; the horizontal axis represents a continuum of passive versus active behavior, whereas the vertical disclose the magnitude of effectiveness with the lower end portraying ineffective attributes and upper end most effective ones as depicted on the next figure.

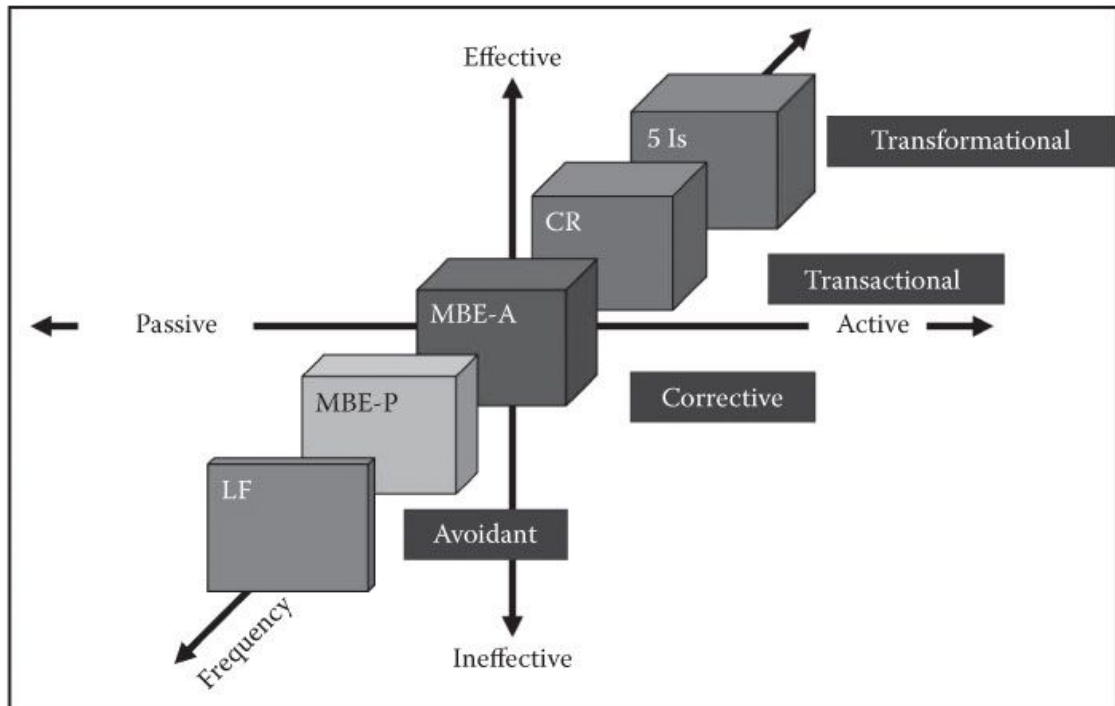


Figure 1. Full-range leadership model from Bass & Avolio (1997) ©Aragón (2013)
 Note: LF=Laissez-faire, MBE-P/A = Management by exception-passive/active,
 CR = contingent rewards

Wright & Pandey (2010) contended that TL is helpful in public organization due to its mission emphasis. Especially because in these organizations, the services are oriented to the community and employees required to work for the general public (Bellé, 2013).

2.2 Job satisfaction

Incontestably one of the most and extensively researched topics of our contemporary era, job satisfaction is an employee's positive and agreeable emotive state resulting from a given job experience evaluation (Locke, 1976). Also, Spector (1997) addressed this as the level of one's satisfaction (like) or dissatisfaction (dislike) with the job. Furthermore, some scholars (e.g. Harrell & Stahl, 1984; House & Wigdor, 1967; Smith, 1974) contended that job satisfaction results from a person perception of fit between the job characteristics and the needs.

Job satisfaction is related with job related element such as job conditions, organization's policies and procedures, coworkers, communication, security, pay, benefits, growth opportunities and promotion, recognition, job nature and organization *per se*, supervisor, etc...(Spector, 1997). In this sense, it is one of the most significant human resource management outcomes, because it directly impacts the employee job performance, commitment, turnover and trust (Akdere, Gider, & Top, 2012; Liao, Hu, & Chung, 2009; Yang, 2012), and ultimately organizational performance, effectiveness, and/or profitability (Smith, 1974).

2.3 Trust in leader

Trust in leader is one of the widely studied topics in public administration and management sciences, which has been and associated with leadership because it enhances followers' inspiration in exceeding the leader expectation and attain optimal results (Brower, Schoorman, & Tan, 2000; Skarlicki, Folger, & Tesluk, 1999; McGregor, 1967; Top et al., 2013; Top et al., 2015).

Rousseau, Sitkin, Burt, & Camerer (1998) argued that from a cross-disciplinary perspective, trust is referred as a psychological states whereby the willingness to concede vulnerability is contingent of the positive expectations of the behavior or intentions of the alter ego. In this vein, Dirks (2006) added that trust in leader is then a follower's state of positive expectations from the leader's intentions and behaviors.

It is noteworthy to mention that there are three essential factors, with respect to the Great Workplace Institute[®], that establish the foundation and baseline for trust: the first is *respect* which refers to the consideration of employees and individuals and as persons, the second is *fairness* which pertains the provision of an equitable and

impartial treatment to all members, and the third is credibility which is essentially a leader ability in being reliable and trustworthy (Burchell & Robin, 2011).

The literature (McAllister, 1995) also suggests that the trust in leader comprises two dimensions, namely cognitive and affective trust. The first results from a follower personal evaluation of the leader's possession of essential attributes like reliability, ability, competency, and integrity, relatively to eventual disclosure or not of such characteristics in the past (Dirks & Ferrin, 2002; Mayer, Davis, & Schoorman, 1995; Ng & Chua, 2006; Yang, Mossholder, & Peng, 2009). Dirks & Ferrin (2002) suggested that cognitive trust is connected with character-driven orientation of a follower's assessment of his leader character, as this one might affect his/her vulnerability. Therefore, failure of the leader to meet the required expectations would engender the follower's trust repression (Zhu, Newman, Miao, & Hooke, 2013).

Secondly, McAllister (1995) identified affective trust. This results from the emotional link between the follower and the leader, which has budded from the follower's feeling that his/her leader' actions and mindset are sincerely oriented to his wellbeing and care (Bagraim & Hime, 2007; Colquitt, Scott, & LePine, 2007). Affective trust is built upon time and sustained exchange, reciprocal respect and concern between the two individuals, and therefore, is grounded on a social exchange orientation pertaining socio-emotional incentives between the two (Blau, 1964; Cropanzano & Mitchell, 2005; Rempel & Holmes, 1985; Zhu et al., 2013).

2.4 TL, trust in leader and job satisfaction

To sum up, the three concepts mentioned above not only have been extensively investigated in the literature, but have been associated in so many occurrences. For

example, regarding transformational leadership and trust, Bass (1997) contented that a leader who instill idealized inspiration to his followers has “the respect, faith and trust” of his subordinates (p.22). Furthermore, a transformational leader is an image of integrity, competence and concern which triggers a follower feeling of confidence, and hence trustworthiness.

A leader who continuously coaches his subordinates by encouraging and advising them in an enthusiastic and creative manner, who singularize each individual by showing genuine concern about the personal needs and difficulties, and who ultimately emulate individualisms and egocentricities by fostering and transcending them into a group purpose driven by a vision, will completely get his subordinates admiration, full engagement and faith (Aragón, 2013; Bagraim & Hime, 2007; Bass & Steidlmeier, 1999; Dirks, 2006; Judge & Piccolo, 2004; Podsakoff et al., 1990).

In return, an entrusted follower has an internal motivation and willingness to complete and achieve task submitted to him/her regardless the complexity, and anything done at the workplace will have a meaning. An employee in this situation may not see his job as a mere material exchange of job-salary, but as something valuable and meaningful to him, his supervisor and the society. Thus this employee may show greater extend of job satisfaction. (Dirks & Ferrin, 2002; Nyhan, 2000; Yang & Mossholder, 2010).

The next section will focus on the conceptual development of the research hypotheses.

Chapter 3

THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

3.1 Theoretical model

Previous research has examined the association involving TL, trust in leader and employee job satisfaction (Braun et al., 2013; Dirks & Ferrin, 2002; Judge & Piccolo, 2004; Podsakoff et al., 1990). This stream of research has also been extensively undertaken in the public sector (Top et al., 2013; Top et al., 2015; Wright & Pandey, 2010) concurring with the results of the extant literature. However, despite this plethora of studies, none to date and to our best knowledge has been conducted in the context of Macedonia. Specifically, apart from Bojadjev et al (2015) who examined the effect of perceived work setting on public administration employees' level of job satisfaction, no other studies have effectively studied or reported in the academic literature the role of leadership in job satisfaction involving public employees.

We build on this gap, from the extant literature to propose our research model (figure 2). We seek to investigate and confirm the mediating role of trust in leader in the relationship between TL and job satisfaction applied to the Macedonian context. While the transformational leadership paradigm (Bass, 1985, 1996; Bass & Avolio, 1993, 2004) provides ground for the direct relationship (TL and job performance), we also built upon the social exchange theory (Blau, 1964; Cropanzano & Mitchell,

2005) to add trust into the relationship as a mediator. In addition, our model and focus will be oriented to the public administration perspective.

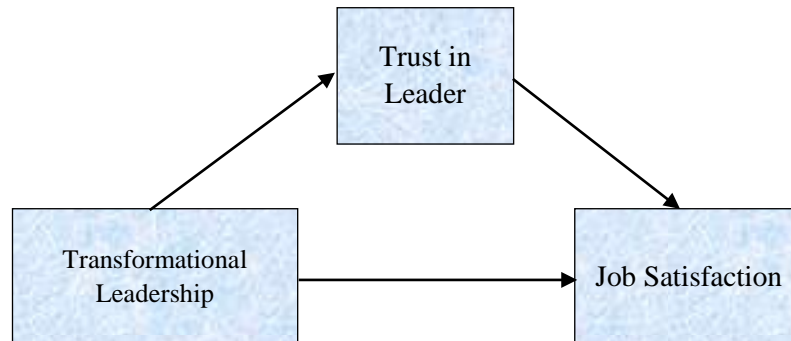


Figure 2. Research model of the hypothesized relationships

3.2 Hypotheses development

3.2.1 Transformational leadership and job satisfaction.

Several scholars (Bryman, Stephens, & Campo, 1996; Fuller et al., 1999; Judge & Piccolo, 2004; Nemanich & Keller, 2007; Podsakoff et al., 1990) have bent on this relationship and found a consistent effect of transformational leadership on employee job performance. Yang (2012) conducted a study involving public relations practitioners and found that components of TL explained 51.2% and 65.4% of variances in respectively intrinsic and extrinsic job satisfaction.

In addition, Tesfaw (2014) investigated the level of public secondary school teachers' job satisfaction as affected by their perceived level of the principal's TL, and their results disclosed evidence of strong effect of the perceived TL on their degree of job satisfaction. In this same vein, Yang, Wu, Chang, & Chien (2011) also discovered that the higher level of military officers' job satisfaction is contingent to the supervisor's perceived transformational leadership, and so did Espinoza-Parra, Molero, & Fuster-Ruizdeapodaca (2015) with a sample of police officers.

These results are consistent with the extant theoretical underpinnings. In fact, Bass (1985) contended that through inspirational motivation and idealized influence characterized by their call for meaningful purpose, and individual consideration for their employees, transformational leader is meant to augment their subordinate job satisfaction. Moreover, Maeroff (1988) argued that teachers perceiving their principal as an authority delegator, information dispatcher and opened communication channel enabler reported higher level of their work satisfaction (Yang, 2012).

A transformational leader not only inspire, they coach, advise, stimulate and encourage creativity, care about their subordinates. Such behavior would eventually decrease an employee task ambiguity and perceived stress, boost his/her internal motivation and sketch meaning of the work and instill a clean and healthy atmosphere in the workplace. Thus, in line with these theoretical conceptions and above mentioned findings, the first hypothesis is proposed:

***H1.** Public administration employee's perception of his supervisor transformational leadership will positively affect his/her level of job satisfaction.*

3.2.2 Mediating effect of trust in leader

A leader displaying transformational behaviors is well equipped to create and strengthen emotional bonds with his/her subordinates (Top et al., 2015). The reason is, TL behavior shares similar antecedents with the concept of trust such as consideration, respect, competence or integrity (Liu, Siu, & Shi, 2010) and because of this trust, TL can be effective (Yukl, 1999). In other words, a leader showing genuine concern and care about the follower security, wellbeing and needs through individualized considerations, triggers the follower's conception that the leader is

someone reliable and thus will elicit high level of trust (Dirks & Ferrin, 2002; Jung & Avolio, 2000; Zhu et al., 2013).

Moreover, when a leader clearly articulates a vision, ensures and motivates the follower that his/her single action has a great importance to the achievement of the group goals, gets him/her participating in the decision-making process through empowerment and decisional influence, shows the necessary competence to fulfill this objectives, and ultimately exhibits model attitudes of himself and impartiality with others, then, such leader is likely to have the follower willingly engaging and endeavoring into a social exchange stamped with full trust (Avolio & Bass, 1995; Pillai, Schriesheim, & Williams, 1999; Zhu et al., 2013).

In return, an entrusting follower will feel greater level of job satisfaction because of two reasons. First, he/she is eager to lean on, feel comfortable and safe with the belief that the leader will provide for instance fair and evaluation, promotion, training due to his integrity and benevolence (Mayer et al., 1995). Second, the follower will be more keen to feel safe and relaxed when he/she has the assurance that the leader understand and is oriented to him as a person, and will do the best possible to make things be easy (Dirks & Ferrin, 2002).

Several empirical and meta-analytical studies have confirmed the significant and direct influence of TL over trust (Dirks & Ferrin, 2002; Jung & Avolio, 2000; Liu et al., 2010; Podsakoff et al., 1990), as well as trust on job satisfaction (Dirks & Ferrin, 2002; Podsakoff, MacKenzie, & Bommer, 1996). From these research findings, other scholars (Bass et al., 2003; Braun et al., 2013; Yang, 2016) have examined the mediating effect of trust in the TL – job satisfaction relationship. Yang (2014) found

a significant mediation of trust in the leadership – satisfaction association, whereas Liu et al. (2010) discovered that trust partially mediated the relationship. Concurrently with these studies` findings, we suggest the next hypotheses:

H2. *Public administration employee`s perception of his supervisor transformational leadership will positively affect his/her level of trust toward the supervisor*

H3. *The level of trust an employee has on the supervisor will positively determine his/her level of job satisfaction, such that the higher the trust, the greater the job satisfaction.*

H4. *Trust in leader significantly mediates the perceived transformational leadership effect on job satisfaction.*

Chapter 4

RESEARCH METHODOLOGY

4.1 Sample and data collection

For the purpose of this study, a research has been conducted among employees working in ministries of the Republic of Macedonia, which are based in the capital Skopje. The research used primary data as a tool for data collection. Population sample and data collection are discussed below.

4.1.1 Population

The study has been conducted in the Republic of Macedonia. The population for this study consists of employees working in public administrative units, and in this case, the ministries of Macedonia located in the capital Skopje. The country has population of about 2,080,000 inhabitants as of 2015 (World Bank, 2016). Skopje is the largest city in Macedonia, as well as country's political, economic, cultural and academic center. As the largest city, most Government institutions are located there. There are 14 ministries in Macedonia. The number of employees in the public sector (refer to general government sector, military and health, education and other bodies) in total is 128,347. But 5,744 of these employees work in Skopje and surrounding municipalities (MISA, 2016).

4.1.2 Research procedure

We sent emails and made follow-up phone calls to request permission to conduct the research in the listed ministries. Only seven of the ministries granted the permission to engage with the data collection:

1. Ministry of Informational Society and Administration (MISA),
2. Ministry of Environment and Physical Planning (MEPP),
3. Ministry of Agriculture, Forestry and Water Economy (MAFWE),
4. Ministry of Finance (MF),
5. Ministry of Labor and Social Policy (MLSP),
6. Ministry of Defense (MD),
7. Ministry of Education and Science (MES).

Surveys were given to participants during the period of August 2016. Employees were chosen randomly, without making distinctions of their position, gender or age. Participants were asked to fill the questionnaire anonymously and voluntarily upon explanation of the research purpose. We dropped 30 questionnaires in each of the 7 ministries and retrieved those back hours later.

We use a back translation process in this research. Macedonian is the main language known and spoken in the research scope and by the study sample. Thus, the questionnaire was first translated from English to Macedonian by an academician in a university in Macedonia who is familiar with the current field of study. Then another academician from the same institution translated back the questionnaire from Macedonian to English. The original and back translated English version of the questionnaires was found similar. We could therefore use the Macedonian translated version to collect data.

The total sample then was 210 questionnaire distributed. Out of which only 156 were returned back, 16 of the questionnaires were incomplete, and inadequate for further

analysis. Thus the valid sample for use was therefore 140, giving an active response rate of 72.16% (140/ (210 – 9)).

4.1.3 Confidentiality and ethical issues

The participation of the employees was voluntary and they were filled anonymously. The questionnaire did not require any personal information as name or contact, and all the questions asked were in consistency with the aim of the research. The information given will remain confidential and will serve just in the scope of this research.

4.2 Questionnaire measurement materials

Questionnaire was use as primary data collection tool. It consisted of instrument measuring perception of the leader transformational leadership style, trust in the leader and level of job satisfaction, and gather demographic information:

1. The Transformation Leadership scale was adopted from (Bellé, 2013), and aimed to assess the employees' perception of their managers' transformational leader characteristics
2. We use the Organizational Trust Inventory which aimed to show the level of trust that employees have towards their leaders (Marlowe & Nyhan, 1992).
3. Job satisfaction scale was used to measure the level of employee`s level of job satisfaction in their current workplace (Andrew & Withey, 1976).

4.2.1 Demographic questionnaire

Specifically designed demographic questionnaire was used as part of the survey to collect information about employee's characteristics. Respondents were answering questions about:

- Gender: 1= Female, 2= Male.
- Age: 1=18-29; 2=30-39; 3=40-49; 4=50 and above.

- Educational level: 1=High school or less, 2= Bachelor, 3= Master or PhD degree.
- Name of the department (which ministry they work in).
- Tenure (time spent in their current department): 1=less than 1 year, 2=1-3 years, 3= 4-8 years, 4= 9 years and above.
- Time spent under their current supervisor: 1=less than 1 year, 2=1-3 years, 3= 4-8 years, 4= 9 years and above.

4.2.2 Transformational leadership scale

We measured the transformational leadership with a scale used by Belle (2013), which was adapted to meet the purpose of the particular research. This scale was appropriate because, consistent with the research objectives, it only measures the perception of Transformational leadership stipe, as opposed to the Multifactor Leadership Questionnaire which covers all ranges of leadership styles. It has 2 items which are related with *inspirational motivation*, 2 items for *idealized influence*, 2 items for *intellectual stimulation* and 2 items for *individualized consideration*.

Sample item for inspirational motivation is: “*Helps other find meaning in their work*”. Sample for idealized influence is: “*Specifies the importance of having a strong sense of purpose*”. For intellectual stimulation: “*Enables others to think about old problems in new ways*”, and for individualized consideration: “*Helps others develop themselves*”. The questions were answered using a 7-point anchor Likert type scale, from 1=strongly disagree to 7=strongly agree. This author reported Cronbach’s alpha coefficient of $\alpha=.89$.

4.2.3 Organizational Trust Inventory (OTI)

The Organizational Trust Inventory (Marlowe and Nyhan, 1992) is a scale that has 12 items which are directed to show the degree of an individual's level of trust in his/her supervisor as well as organization. In this research, we adopted only 7 items which assess the level of trust toward the leader (Ismail et al., 2010). To measure the items, Likert scale is used, where 1=strongly disagree and 5=strongly agree, as anchor points. A sample item for this scale is "*I am ready to trust my leader to overcome any obstacle*". They reported Cronbach's alpha coefficient of $\alpha=.935$.

4.2.4 Job Satisfaction Scale

The Andrews and Withey's (1976) Job satisfaction scale is unidimensional and measures global job satisfaction. It contains 5 items about the employee's job. Responses can be rated on a seven-point Likert scale ranging from 1=delighted to 7=terrible, as anchor points. A sample item for this scale is "*How do you feel about the work you do on your job- the work itself?*" Cronbach's Alpha for the Andrews and Withey's Job Satisfaction Scale is $\alpha=.84$.

Chapter 5

ANALYSES AND EMPIRICAL RESULTS

5.1 Introduction

The obtained data were analyzed using the IBM Statistical Package for Social Sciences (SPSS), version 23. The analyses that have been done include: Frequencies and Descriptive Statistics; Reliability Test; Correlation analyses; Regression Analyses; Independent Sample T-test and Analysis of Variance (ANOVA).

5.2 Frequencies and descriptive statistics

What we can see from the results presented in table 1 is that the number of female respondents is slightly above the number of male respondents. 75 (53.6%) are women and 64 (45.7%) are men.

Table 1. Gender of respondents

		Frequency	Percent	Valid Percent
Valid	Female	75	53.6	54.0
	Male	64	45.7	46.0
	Total	139	99.3	100.0
Missing	99	1	.7	
Total		140	100.0	

While looking at table 2 which represents the age distribution, the age category “30-39 years” stands out over other categories with 35.7%. Then comes the “40-49 years”

category with representation of 27.9%. “50 and above years” category presents 20.0% of the respondents, and the last group of age category “18-29 years” is presented by only 15.7%.

Table 2. Age of respondents

		Frequency	Percent	Valid Percent
Valid	18-29	22	15.7	15.8
	30-39	50	35.7	36.0
	40-49	39	27.9	28.1
	50 and above	28	20.0	20.1
	Total	139	99.3	100.0
Missing	99	1	.7	
Total		140	100.0	

Table 3 represents the educational level of the respondents, and it shows that 69.3% out of total respondents own Bachelor degree, which is the required needed entry level in administration positions in the Ministries. Less frequent category of respondents owns postgraduate degrees like Master and PhD: 7.9%, and the rest of the respondents belong to the educational category of “High school or less”, represented by 22.9%.

Table 3. Educational level of respondents

	Frequency	Percent	Valid Percent
High school or less	32	22.9	22.9
Bachelor	97	69.3	69.3
Master or PhD	11	7.9	7.9
Total	140	100.0	100.0

The frequencies in table 4 show that from the 7 ministries that accepted to participate in the research, the numbers of participant are slightly different one from another. The Ministry of Defense is slightly above other departments, with 24 (17.7%) and below is Ministry of Environment and Physical Planning with 23 (16.4%). Respondents from the Ministry of Information society and Administration and Ministry of education and Science share the same frequency of 20 (14.3%). Respondents coming from the Ministry of Agriculture Forestry and Water Management share the same frequency with the Ministry of Labor and Social Policy, with 17 (12.1%). And finally the last department of Ministry of Finance appear with respondents of only 15(10.7%).

Table 4. Department of respondents

		Frequency	Percent	Valid Percent
Valid	MISA	20	14.3	14.7
	MEPP	23	16.4	16.9
	MAFWE	17	12.1	12.5
	MF	15	10.7	11.0
	MLSP	17	12.1	12.5
	MD	24	17.1	17.6
	MES	20	14.3	14.7
	Total	136	97.1	100.0
Missing	99	4	2.9	
Total		140	100.0	

Table 5 shows the time that the respondents have spent in their current organization. In order to determine the tenure, 4 categories have been created. The first category “less than 1 year”, represent the lowest result among the categories with 10%. The second category “1-3 years” comprise 30.7 %, and the category “4-8years” is

showing to be the highest among others with 32.9%. 25.7% of respondents belong to the category of “9 years and above”.

Table 5. Time spent in your current organization

		Frequency	Percent	Valid Percent
Valid	Less than 1 year	14	10.0	10.1
	1-3 years	43	30.7	30.9
	4- 8 years	46	32.9	33.1
	9 years and above	36	25.7	25.9
	Total	139	99.3	100.0
Missing	99	1	.7	
Total		140	100.0	

4 categories represent the time the respondents spent under their current supervisor in at department. The results are presented in table 6. Very low percentage of 10.7% represent the category of “less than 1 year” and the highest percentage is represented by the category “1-3 years”. Fairly high percentage of participants belong to the group of “4-8 years” and the last category of “9 years and above” is represented by 15.7%.

Table 6. Time spent in your workplace under the current supervisor of your department

		Frequency	Percent	Valid Percent
Valid	Less than 1 year	15	10.7	10.9
	1-3 years	59	42.1	42.8
	4- 8 years	42	30.0	30.4
	9 years and above	22	15.7	15.9
	Total	138	98.6	100.0
Missing	99	2	1.4	
Total		140	100.0	

5.3 Reliability Test

Coefficient of reliability or Cronbach's alpha is a measure of internal consistency, which exists as a practice for factor validation of the constructed scales. It's a way of measuring the strength of consistency. As a satisfactory reliability coefficient proposed by Nunnally (1978, p. 245) is $\alpha=0.70$. The results of alpha coefficient obtained showed good reliability scores of the scales used as shown in table 7.

Table 7. Reliability scores of the study variables

Variables	N. of Items	Cronbach's Alpha
Job satisfaction	5	.82
Trust	7	.87
Transformational leadership	8	.93
Inspirational motivation	2	.73
Idealized influence	2	.84
Intellectual stimulation	2	.83
Individualized consideration	2	.80

5.4 Correlation among the variables

In table 8 are presented results of the means, the standard deviations and the correlation coefficients of the study variables (Transformational Leadership, Trust and Job Satisfaction) and the demographic variables (gender, age, education, tenure and tenure under supervisor). To measure the relation between all the variables, Pearson's bivariate correlation has been used. This coefficient ranges from -1 to 1, where -1 showing a perfect negative correlation, 0 showing no correlation, and 1 expressing a perfect positive correlation between two variables.

According to the results shown in table 8, positive correlation has been found between the study variables. There is a significant positive correlation between the perception of transformational leadership and trust ($r = .584, p < .01$). Job satisfaction has significant positive correlation with the perception of transformational leadership ($r = .224, p < .01$). Finally, positive but insignificant correlation has been found between the study variables of trust and job satisfaction ($r = .105, p = .217$).

Few of the demographic variables also have an association with the study variables. First of all, there is a significant positive correlation between tenure and age ($r = .701, p < .01$). Tenure under supervisor also shows significant positive correlation with age ($r = .671, p < .01$). Negative correlation has been indicated between perceived transformational leadership and age ($r = -.339, p < .01$) and trust and age ($r = -.464, p < .01$). The relation between tenure under supervisor and tenure is significantly positive ($r = .798, p < .01$). In the meantime, negative correlations are shown between perceived transformational leadership and tenure ($r = -.283, p < .01$), as well as trust and tenure ($r = -.345, p < .01$). Finally, negative correlation has been

found statistically between perception of transformational leadership and tenure under supervisor and trust and tenure.

Table 9 presents the correlation between study variables which include Transformational leadership characteristics (Inspirational motivation, idealized influence, intellectual stimulation and individualized consideration), Trust and Job satisfaction.

Four out of four transformational leadership characteristics statistically show significant positive correlation with trust as a study variable. Regarding to transformational leadership characteristics and job satisfaction, all of the characteristics show positive correlation but three of four only have significant correlations (Inspirational motivation, idealized influence and individualized consideration).

However, the highest significant positive correlation is among the individualized consideration and intellectual stimulation ($r = .822, p < .01$). Also, statistically significant positive correlation exists between the intellectual stimulation and idealized influence ($r = .783, p < .01$). Finally, the lowest positive correlation among the results presented in table 9 is shown between the idealized influence and job satisfaction ($r = .197, p < .05$), as well as individualized consideration and job satisfaction ($r = .220, p < .01$).

Table 8. Correlation among the demographic and study variable

	Mean	SD	1	2	3	4	5	6	7	8
1. Gender.	3	.500	-							
2. Age	2.53	.988	.002	-						
3. Education	1.85	.535	-.036	-.082	-					
4. Tenure	2.75	.956	.012	.701**	-.060	-				
5. Tenure under supervisor	2.51	.890	-.052	.671**	.027	.798**	-			
6. Transformational leadership	3.79	.987	.066	-.339**	-.064	-.283**	-.279**	-		
7. Trust	3.47	.735	-.118	-.464**	-.137	-.345**	-.305**	.584**	-	
8. Job Satisfaction	4.48	.824	-.062	-.059	.000	-.112	-.100	.224**	.105	-

*p<.05, **p<.01 (2-tailed).

Education; Transformational leadership; Trust; Job Satisfaction (N=140)

Gender; Age; Tenure (N=139)

Tenure under supervisor (N=138)

Table 9. Correlation among study variables

	Mean	SD	1	2	3	4	5	6
1. Trust	3.47	.735	-					
2. JS	4.48	.824	.105	-				
3. Inspirational Motivation	3.83	.934	.560**	.248**	-			
4. Idealized Influence	3.80	1.126	.535**	.197*	.772**	-		
5. Intellectual Stimulation	3.83	1.212	.514**	.151	.661**	.783**	-	
6. Individualized Consideration	3.70	1.117	.499**	.220**	.686**	.722**	.822**	-

*p<.05, **p<.01 (2-tailed).

N=140

5.5 Hierarchical regression analysis

Hierarchical regression analysis was conducted in order to investigate the relation between the dependent and independent variables and to determine whether the research hypothesis will be confirmed. In addition, we use the recommendations of Baron and Kenny (1986) in order to test any mediation model. And results are disclosed in Table 10.

In model 1, the demographic variables regressed (gender, age, education, tenure and tenure under supervisor) explained 26% of the variance of the dependent variable trust. From the results in the table we can see that age is having negative significant influence on the trust ($\beta = -.454$, $p < .001$), which explains that the level of trust reduces as employees get older. Education level significantly and negatively influences the level of trust, with the result disclosing that the higher the educational level of employees, the less they trust in their leaders ($\beta = -.178$, $p < .05$).

Then, in Model 2 we included transformational leadership as an independent variable. Perceived transformational leadership indicated significant positive effect on trust ($\beta = .472$, $p < .001$). The model significantly explains 45.5% of the variance in trust ($F = 17.941$, $p < .001$). Therefore, this gives evidence to support hypothesis 2, that employee's perception of the supervisor transformational leadership will positively affect his/her level of trust toward the supervisor.

In model 3, the demographic variables are regressed on job satisfaction and no significant results were obtained. Then in model 4, we included transformational leadership among the regressors. The model does not significantly explain variances in job satisfaction. But Transformational leadership individually shows significant

positive influence on job satisfaction ($\beta = .214, p < .05$). Hence, this provides support for hypothesis 1, that employee's perception of his supervisor transformational leadership will positively affect his/her level of job satisfaction.

Regarding model 5, Trust was included as an independent variable, based on Model 3. Trust insignificantly affected job satisfaction, so as the general model. Consequently, this does not provide enough evidence to support hypothesis 3, that the level of trust an employee has on the supervisor will positively determine his/her level of job satisfaction, such that the higher the trust, the greater the job satisfaction.

Finally, regressors in Model 6 include the demographic variables, transformational leadership and trust. Despite the fact that the model could not significantly explain the variation in job satisfaction, transformational leadership as an individual predictor significantly influenced job satisfaction ($\beta = .254, p < .001$), while trust again insignificantly did. As a result, there was no supporting evidence for hypothesis 4, suggesting a positive influence of trust on job satisfaction.

In addition, Baron and Kenny (1986) suggested that for a mediation to be held, three conditions must be met. The independent variable must affect first the mediator, then the dependent variable, and then the mediator must affect the dependent variable. Our results fail to meet the last condition as trust did not significantly influence job satisfaction. Therefore, there was no incentive to check for a possible mediation effect. Thus hypothesis 4 suggesting the mediating role of trust failed to be supported.

Table 10. correlation among demographics indicators and study variables

Predictors	Dependent variables											
	Trust				Job Satisfaction							
	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6	
	β	t-value	β	t-value	β	t-value	β	t-value	β	t-value	β	t-value
Gender	-.143	-1.885	-.166*	-2.534	-.094	-1.071	-.104	-1.209	-.086	-.964	-.118	-1.340
Age	-.454***	-4.142	-.330***	-3.428	.045	.358	.101	.803	.070	.523	.073	.552
Education	-.178*	-2.325	-.140*	-2.118	.009	.104	.026	.302	.019	.211	.014	.160
Tenure	-.049	-.361	-.028	-.240	-.060	-.385	-.051	-.329	-.057	-.366	-.053	-.344
Tenure with supervisor	.026	.194	.058	.506	-.095	-.623	-.080	-.536	-.096	-.631	-.075	-.502
Transformational leadership			.472***	6.784			.214*	2.343			.254*	2.390
Trust									.056	.550	-.086	-.745
F	9.156***		17.941***		.590		1.423		.539		1.295	
R^2	.260		.455		.022		.062		.024		.066	
ΔR^2	-		.193		-		.04		-		.004	

*p<.05, **p<.01, ***p<.001(2-tailed).

5.6 Independent sample T-test and ANOVA

5.6.1 Independent sample T-test

The [independent] T-test is used to verify whether there are any significant differences between the means of 2 groups with respect to a specific observation. In our case, we tested for any significant difference between females and males in their perception of transformational leadership and level of trust in the supervisor, as well as their level of job satisfaction.

The results given in table 11 and 12, showed that the variance of level of trust among female and male employees was statistically significant ($t = 1.379$, $p < .01$), but there was insufficient evidence to suggest significant difference in the level of trust between males and females.

Transformational leadership between (female = 3.74; male = 3.87) two groups, and the variance is found to be statistically insignificant, therefore means there is no difference between the female and the male group of respondents for the perception of transformational leadership. In other words, the level of trust in the leader is irrelevant to the gender of the employee.

Moreover, the results did not show any significant difference in the means nor the variance between male and female respondents in their supervisor's Transformational leadership perception or job satisfaction.

Table 11. Group statistics of mean differences

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Transformational Leadership	Female	75	3.7383	1.02031	.11782
	Male	64	3.8691	.95313	.11914
Trust	Female	75	3.5619	.64160	.07409
	Male	64	3.3884	.83123	.10390
Job Satisfaction	Female	75	4.5360	.82144	.09485
	Male	64	4.4344	.83461	.10433

Table 12. Independent T- test for group mean differences

		Levene's Test for Equality of Variances		T-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Transformational Leadership	Equal variances assumed	.483	.488	-.776	137	.439	-.13081	.16847	-.46394	.20232
	Equal variances not assumed			-.781	135.856	.436	-.13081	.16756	-.46216	.20055
Trust	Equal variances assumed	7.667	.006	1.387	137	.168	.17351	.12506	-.07379	.42081
	Equal variances not assumed			1.360	117.489	.177	.17351	.12761	-.07921	.42623
Job Satisfaction	Equal variances assumed	.222	.638	.722	137	.472	.10163	.14082	-.17684	.38009
	Equal variances not assumed			.721	132.894	.472	.10163	.14100	-.17727	.38052

*p<.05, **p<.01, ***p<.001 (2-tailed)

5.6.2 Analyses of variance

This section discloses the results of mean difference across groups of other demographic variable in relative to the study variables.

Table 13. ANOVA for Age

		Sum of Squares	df	Mean Square	F	Sig.
Transformational Leadership	Between Groups	18.090	3	6.030	6.934	.000
	Within Groups	117.401	135	.870		
	Total	135.491	138			
Trust	Between Groups	16.446	3	5.482	12.710	.000
	Within Groups	58.228	135	.431		
	Total	74.674	138			
Job Satisfaction	Between Groups	2.301	3	.767	1.130	.339
	Within Groups	91.637	135	.679		
	Total	93.938	138			

The result obtained from the above table show whether there is any difference across the age groups related to the study variables. First of all, the results show that there is a significant difference in the perception of transformational leadership across the different age groups ($F = 6.934, p < .05$). This means that there are certain age groups perceiving more transformational leadership attributes than the other groups. Secondly, the table also shows that the level of trust in leader differs across age groups ($F = 12.710, p < .05$). In this regard employee`s trust in their leader is inherent of their age group. Perhaps, seniors may have less trust in their leaders than the juniors (see $r = -.464; p < .01$). However, the result failed to show any significant

difference in the level of job satisfaction across the different age groups. It can be explained by that the level of employee`s job satisfaction is not relevant to their age.

Table 14. ANOVA for Education Level

		Sum of Squares	df	Mean Square	F	Sig.
Transformation Leadership	Between Groups	1.007	2	.503	.513	.600
	Within Groups	134.486	137	.982		
	Total	135.493	139			
Trust	Between Groups	1.682	2	.841	1.565	.213
	Within Groups	73.581	137	.537		
	Total	75.262	139			
JS	Between Groups	.389	2	.194	.283	.754
	Within Groups	94.022	137	.686		
	Total	94.411	139			

Table 14 shows that there is no difference in the perception of transformational leadership among the different education levels. This means that an employee perception of his leader`s transformation leadership style is not relevant to his or her educational level. Whether they hold a bachelor or master degree, or just high school degree, does not really affect whether they will perceive any transformational leadership style from their leader or not.

The results in the table also show that there is no significant difference in the level of job satisfaction among the employees, which implies that employee`s job satisfaction is not related with educational level of the employees. Also, the employees trust in their leaders is not affected by their educational level. The result failed to demonstrate any significant difference in the level of employee`s trust in their leader and the different educational level groups.

Table 15. ANOVA for tenure

		Sum of Squares	<i>df</i>	Mean Square	F	Sig.
Transformational Leadership	Between Groups	13.594	3	4.531	5.018	.002
	Within Groups	121.897	135	.903		
	Total	135.491	138			
Trust	Between Groups	11.148	3	3.716	7.897	.000
	Within Groups	63.526	135	.471		
	Total	74.674	138			
Job Satisfaction	Between Groups	2.390	3	.797	1.175	.322
	Within Groups	91.548	135	.678		
	Total	93.938	138			

The level of perception of the leader's transformational leadership significantly differs across the tenure groups as shown in table 15. Perhaps the juniors in the organization (employees who are relatively young or have spent less time in the organization), tend to perceive more their leader transformational leadership style than seniors ($r = -.283, p < .01$). The table also shows that the level of employee's trust in their leader differs crosswise with tenure ($F = 7.897, p < .01$). Regarding these results, employee's trust in their leader differs among different tenure groups. It is possibly that juniors who have spent less time working in the organization tend to trust more to their leaders than seniors. The result in the table above has failed to prove any significant difference in the level of job satisfaction across the different tenure groups.

Table 16. ANOVA for Time with supervisor

		Sum of Squares	df	Mean Square	F	Sig.
Transformational Leadership	Between Groups	13.588	3	4.529	5.123	.002
	Within Groups	118.480	134	.884		
	Total	132.069	137			
Trust	Between Groups	7.975	3	2.658	5.476	.001
	Within Groups	65.044	134	.485		
	Total	73.019	137			
Job Satisfaction	Between Groups	4.563	3	1.521	2.357	.075
	Within Groups	86.496	134	.645		
	Total	91.059	137			

The result obtained from the above implies that there are significant differences in the study variables across the tenure of employees under their current supervisor.

First of all, results show a significant difference in the perception of transformational leadership among different groups of years spent under their supervisor ($F = 5.123$, $p < .01$). This implies that there are certain groups of employees who perceive transformational leadership more than others. Perhaps, the employees who spent less time working under their current supervisor in their organization tend to perceive more transformational leadership style in their leader, as shown from the correlation results ($r = -.283$; $p < .01$).

Secondly, the table also shows that the level of trust in leader significantly differs across the employee's time spent under the current supervisor in the organization ($F = 5.476$, $p < .01$). In this regard, employee's trust in the leader is inherent to amount of time spent working under the related supervisor in the organization. However, from the table we can see that the result failed to show any significant difference in the level of job satisfaction across the different groups of employee's time spent under

the current supervisor in the organization. It can be explained by that, that the level of employee`s job satisfaction is not relevant to their time spent under the current supervisor.

Chapter 6

DISCUSSION, INTERPRETATION, LIMITATIONS AND SUGGESTIONS

6.1 Introduction

The last chapter of this research is dedicated to the interpretation of the results obtained, the discussion of the research, as well as implications, limitations, and future recommendations for research.

6.2 Discussion

The current study examined the Macedonia public sector employees' perception of their supervisor's transformational leadership style, and explored if it has an effect on their job satisfaction. In addition, the study investigated if employee's trust in their leader is significantly related to, and mediates their job satisfaction. With the research conducted and results given in the previous chapter, the following can be stressed.

Hypotheses 1

The first hypothesis in this research suggested that the perception of transformational leadership style that employees have from their leaders, will positively affect their level of job satisfaction. That is, the employees who perceive the transformational leadership style in their leaders are more likely to be more satisfied with their jobs.

Regarding the results obtained, all of the four characteristics of transformational leadership have been evidenced to show positive relation with job satisfaction. It is

important to note that three out of four have shown significant positive correlation and that individualized consideration and intellectual stimulation has shown the strongest correlation. According to these results, employees who perceive their leader helping them improve and grow, and invest in time teaching, coaching and advising them, as well as exhibiting different perspectives in problems and solutions, tend to have higher level of job satisfaction.

These results are consistent with the theoretical findings. As Bass (1985) argued, through individual consideration for their employees, transformational leadership style is meant to increase their employee's job satisfaction. Thus, these results have provided evidence to support our first hypothesis.

Hypothesis 2

The second hypothesis proposed that the employee's perception of transformational leadership style in their leader will positively affect the level of trust they have towards the leader. The results showed that employees perceive more trust in their leaders who demonstrate characteristics of transformational leadership. From the results we can see the positive correlation between transformational leadership and trust, and this goes together with some studies who have confirmed also a significant influence of transformational leadership over trust (Dirks & Ferrin, 2002; Jung & Avolio, 2000; Liu et al., 2010; Podsakoff et al., 1990). All four transformational leadership characteristics statistically show significant positive correlation with trust as a study variable. We can conclude that employees perceive more trust in a leader who inspire and help employees, who is persistent and willing to risk taking and is also personally engaging into employee's growth. Thus, hypothesis 2 is supported.

Hypotheses 3 and 4

In addition to the second hypothesis, the other two aimed to prove that, the level of trust the employees have from their supervisor will positively affect their level of job satisfaction, and that trust is a mediator between the perceived transformational leadership and job satisfaction. As it has been presented in the literature, findings of Yang and Mossholder (2010) strongly prove the effect of trust in leaders over employee`s job satisfaction. Most of the hypotheses were supported but in the evidence obtained from this sample in Macedonia, trust did not influence the level of employee`s job satisfaction. Taking in consideration the result from this sample, there was not enough evidence provided to support these last two hypotheses, which proposed that the higher the trust, the greater the job satisfaction, and that trust mediates the relation between transformational leadership style and employee`s job satisfaction. Therefore, the hypotheses were not supported.

Even though the results were not as we predicted to be in the hypotheses, this is a valuable finding for the case of Macedonia. There are several potential reasons why the results are not supporting the hypotheses. We should mention that sample even though is chosen randomly, is conducted in timing where most of the employees have taken their yearly vacation and are not present in their job places, also the job type and different ministries culture can be also influencing this result.

6.3 Implications

The implications that can be taken from this study can be significant for leaders and managers of public sectors, human resources managers, and policy makers in general in Macedonia.

First of all, it is of critical importance for managers in all public institutions to acknowledge their employee`s perception on their leadership style, the level of trust they have for them, and the level of job satisfaction at their work place. It is also worth to mention that all level managers in the public sector should consider these results if they want to change the perception in their employees` eyes and gain their trust. The transformational leadership style actually has very positive effect in the employee`s levels of job satisfaction. Thus, they could get more awareness on this style and try to genuinely demonstrate it towards their subordinates. Also, they should take into consideration the results and look for potential reasons why the trust as a factor does not make difference in how much an employee is satisfied in their job or not. So far, more attention should be paid on other on-the-job and off-the job factors which can enhance employees` level of job satisfaction. In fact, the less satisfied they are, the poorer the quality of service employees will provide to people.

This research also provides a modest contribution to the literature. Every previous research has proven that trust is positively related to job satisfaction, and it can be a mediator between the perception of transformational leadership and employee`s job satisfaction. This research found different results. In the case of Macedonia for instance, trust in leader is not a warrant of an employee job satisfaction. Thus, this

gives room to speculate on other possible reasons or variables, such as the location, the type of job and the culture.

6.4 Limitations

Several limitations might have implications of the results of this research. First of all, the questions in the questionnaires were adapted and shorten, in order to make it easier and less for the respondents, so for Transformational leadership and trust we have used the short forms of questionnaires.

We should also mention that the sample, even though chosen randomly, is conducted in summer time where most of the employees have taken their yearly vacation and are not present in their job places.

Also, we received less than 150 fully and correctly filled questionnaires, from the amount that was distributed. We can assume that a larger sample could have given different result and the small sample might be a limitation as well.

It is important to mention that during the time when the research was conducted, a natural disaster and several floods have occurred in Macedonia, in the surroundings of the capital, therefore many employees were going to volunteer and help in the damaged areas and this could have affected their current mood when filling the questionnaire.

Just because we did a research in only seven of the ministries, the results might not translate to employees of the other ministries. This happened due to a short time available for research as well as necessary formalities that we faced in some of the ministries.

Taking in consideration the results and conclusions, we could see that for the case of Macedonia, the results could not support all the hypotheses. The variables used in the research should probably be replaced or include other variables, for the case of Macedonia. A limitation can be the location of the respondents. The questionnaire was distributed only in the capital Skopje. Other cities were not included.

Another limitation of the research is that we don't have any control over the seriousness of the respondents and the way they have filled the questionnaires, therefore might be a possibility for errors in the results.

6.5 Future research

Further research can be done on the current topic, with some changes in the variables. We could have seen from the results that these variables are not suitable for the case of Macedonian public employees and that trust doesn't affect the Macedonian employee's job satisfaction. Further researches might include other cities than the capital Skopje.

A larger sample should be used in further researches and the time frame should be longer in order to explore other possible outcomes. It is reasonable all the ministries or public sector institutions to be included.

Full version of the transformational leadership and trust could be used so the results will be more detailed and give a better picture about the perception of transformation leadership and other variables.

To obtain different results and to continue the research, different suitable variables should be taken for further exploration in the same sector and region, because in certain cases these variables can be influencing the results.

The respondents in the future researches should not only include the employees in the sample, but also all levels of managers.

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APPENDIX

Appendix A: Questionnaire

Dear Sir / Madam,

Thank you very much for the time spent for filling this questionnaire. This research is done with a purpose to help me write my thesis and it covers the topics of Managers Transformational Leadership and Employees Job Satisfaction in Macedonian Public Sector.

I would like to note that the main aim of this questionnaire is to help in my research, therefore any information given bellow will be anonymously analyzed, and none of the information will go beyond the scope of this research.

If you have further information about the research or any question about this questionnaire, you can contact me: e.tasheva@yahoo.com

I kindly invite you to fill this questionnaire on a **voluntary** basis.

Demographic information

Gender Female Male

Age: 18-29 30-39 40-49 50 and above

Education level: High school or less Bachelor Master or PhD

What is your department? _____

Time spent in your current organization: Less than 1 year 1-3 years

4-8years 9 years and above

Time spent in your workplace under the current supervisor of your department:

Less than 1 year 1-3 years 4-8years 9 years and above

Please indicate how you feel about your job (in accordance with the given scale from 1-7). <u>Please circle your choice.</u>	Terrible	Unhappy	Mostly dissatisfied	Mixed	Mostly satisfied	Pleased	Delighted
How do you feel about your job?	1	2	3	4	5	6	7
How do you feel about the people you work with- your coworkers?	1	2	3	4	5	6	7
How do you feel about the work you do on your job- the work itself?	1	2	3	4	5	6	7
What is it like where you work – the physical surrounding, the hours, the amount of work you are asked to do?	1	2	3	4	5	6	7
How do you feel about what you have available for doing your job – equipment, information, good supervision etc.?	1	2	3	4	5	6	7

Please indicate how do you feel about your leader (in accordance with the given scale from 1-5). <u>Please circle your choice.</u>	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
My leader can make good decisions and judgments.	1	2	3	4	5
I am ready to trust my leader to overcome any obstacle.	1	2	3	4	5
My leader is good in leading us when doing organizational projects.	1	2	3	4	5
I give full commitment when work with my leader.	1	2	3	4	5
My leader`s ideas and opinions are useful for me in doing my job.	1	2	3	4	5
I believe that my leader will provide correct information about the tasks for me.	1	2	3	4	5
I can share my ideas and thoughts with my leader.	1	2	3	4	5

Please indicate your answers about your current leader in accordance with the given scale from 0-6. <u>Please circle your choice.</u>	Strongly disagree	Partially disagree	Disagree	Neutral	Agree	Partially agree	Strongly agree
My leader provides appealing image about what we can do.	1	2	3	4	5	6	7
My leader helps other find meaning in their work.	1	2	3	4	5	6	7
My leader installs pride in me for being associated with him/her.	1	2	3	4	5	6	7
My leader specifies the importance of having a strong sense of purpose.	1	2	3	4	5	6	7
My leader enables others to think about old problems in new ways.	1	2	3	4	5	6	7
My leader seeks differing perspectives when solving problems.	1	2	3	4	5	6	7
My leader helps others develop themselves.	1	2	3	4	5	6	7
My leader spends time teaching and coaching.	1	2	3	4	5	6	7

Thank you for your time and cooperation.