

Moderating Effects of Individual's Needs on the Relationship Between Leadership Styles and Outcomes

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Abstract: This research examined the moderator effects of achievement and affiliation needs on leadership styles and individuals' outcomes to understand the motivational process with respect to leadership practices. The study incorporated transformational and transactional leadership as leadership styles and work performance and job satisfaction as outcomes. A sample of 398 medical practitioners from public hospital was used and data were collected through self administered questionnaires. Proposed relationships were tested using moderated multiple regression and some empirical support was found for the hypotheses. It may be concluded that higher level of motivation on followers' part could be achieved through transformational leadership and to some extent by transactional leadership.

Key words: Transformational leadership • Transactional leadership • Need for achievement • Need for affiliation • Performance and satisfaction

INTRODUCTION

A great deal of attention has been paid to individual's motivational process in behavioral sciences. Other than the conventional motivational mechanisms, research has also found that leader's role is equally important to other factors in achieving high level of motivation on followers' part [1-3]. This motivation can only be achieved when there is a proper fit between leadership styles and followers' work needs [1, 4-6]. Few earlier studies on this area have mainly focused on task oriented/instrumental leadership and human oriented/supportive leadership styles or concepts similar to these leadership behaviors [1, 7-9]. However, the empirical research on testing the fit between transformational-transactional leadership styles and followers' outcomes is still lacking. Therefore, this study focuses to test the fit between followers' work needs and leadership styles on outcomes in the context of developing economy.

In order to accomplish the research objective, this paper is further classified into four sections. In subsequent section, the earlier literature on this area is presented and research hypothesis are formulated. In

second section, research methodology employed by researchers is described. In third section, results of the study are summarized and in fourth and final section, discussion and conclusion are narrated.

Theory and Hypotheses

Transformational Leadership: Transformational leaders evoke higher levels of needs among subordinates; concerns for achievement, self actualization and as well as taking care of well-being of individuals, groups and whole of the organization [9]. Transformational leaders set goals in a way that are beyond from ones' interests, guaranteeing accomplishments and stimulating self-actualization among performers. Consequently, followers show their willingness to exert extra effort towards the achievement of these goals [10]. Transformational leaders influence their followers through a variety of mechanisms; idealized influence (charisma), inspirational motivation, intellectual stimulation, or an individualized consideration.

Idealized Influence: Transformational leaders have followers who view them in an idealized way and these leaders wield much power and influence over them [11]. Idealized influence refers to the ability of influencing

followers in such a way serving as a role model for them, fostering the sense of pride among followers and showing high degree of ethical and moral standards. Such leaders win the followers' trust by demonstrating high performance standards and exceeding the expectations of their followers [12]. These leaders share risks with their followers, vanquish obstacles in accomplishment of goal and get the group acceptance on common goals.

Intellectual Stimulation: Intellectual stimulation behaviors on transformational leaders' part encourage the subordinates' participation and promote creative behaviors among them. Followers are encouraged to think in innovative ways, not only the questioning others but also to question their own values, beliefs and assumptions, as well as the leaders' ones when appropriate [12, 13]. When the leaders require creative and innovative solutions, followers' mistakes are not criticized publicly. Further, leaders having intellectual stimulation capacity question the existing scenario in organizations [10].

Inspirational Motivation: Inspirational motivation refers to such behaviors of transformational leaders that motivate and inspire subordinates through provision of meaningfulness and challenge to the followers' work. Inspirational motivation is the capability on the leaders' part to articulate a convincing and attractive vision and communicating the same to the followers [12]. This vision takes into account the higher degree of followers' needs and ultimately leads them towards the fulfillment of needs. These leaders create a strong hope among followers that their efforts will be fruitful [14].

Individualized Consideration: Primarily, Individualized consideration focuses on one-to-one relationship. The transformational leaders play the role of coach or mentor and specially pay attention to each subordinates' needs for achievement and growth [12, 15]. After individuals' needs recognition, they try their best to fulfill their followers' needs. They are effective listeners to subordinates' concerns and [13]. These leaders openly accept the individuals' differences and consider their followers as unique individuals [12].

Transformational Leadership and Followers' Needs: The contemporary literature on transformational leadership well documented that the transformational leaders engage themselves in such activities which address the followers' needs and wants and results in higher level of motivation on followers' part [2 9].

Thus, the followers' need for achievement and need for affiliation will positively moderate the on transformational leadership and outcomes. Followers with high need for achievement want to maintain excellent performance standards and are target oriented [16]. Since the transformational leaders set high performance standards, provide support and guidance in performing the tasks, therefore, these followers will be positively attracted by the transformational leaders. Similarly, the followers with need for affiliation strive for support from others [16] and these followers will be positively influenced by the individualized consideration of transformational leadership. Therefore, it is hypothesized that:

H₁: Need for achievement positively moderates on transformational leadership and followers' outcomes.

H₂: Need for affiliation positively moderates on transformational leadership and followers' outcomes.

Transactional Leadership: Transactional leaders define performance standards and link the rewards with followers' performance; rewards among subordinates are disbursed if they attain the minimum acceptable performance standards [10]. Bass *et al.* described transactional leadership as an exchange process between leader and followers in order to fulfill their self-interests. In this exchange relationship, leader and followers arrive at mutual consensus through fair negotiation, what will be the performance standards, what kind of resources will be required and under what conditions tasks will be performed [11]. Based on the subordinates' performance, transactional leaders decide the contingent rewards and punishments types either by providing positive reinforcement or negative reinforcement.

Contingent Rewards: Contingent rewards refer to the administration of rewards on transactional leaders' part based on subordinates' performance [17]. Contingent behaviors show the extent to which leader is actually engaged in providing positive reinforcement to his/her group members in the form of monetary rewards, commendations and other kinds of social approvals based on the good performance of followers [12, 18].

Contingent Punishments: Transactional leaders usually exercise such behaviors as a result of subordinates' poor performance [17]. Such kind of behaviors on transactional

Table 1: Summary of Hypotheses

	Need for Achievement		Need for Affiliation	
	Performance	Satisfaction	Performance	Satisfaction
Transformational Leadership	+	+	+	+
Transactional Leadership	+	-	-	-

“+” represents that leadership style in combination with followers’ need has positive impact on work outcomes

“-” represents that leadership style in combination with followers’ need has negative impact on work outcomes

leaders’ part indicate the extent to which the leader is engaged in administering the reprimands, displeasure and disapproval contingent upon subordinates’ poor performance [18].

Transactional Leadership and Followers’ Needs:

The subordinates’ need for achievement positively moderates on the transactional leadership and outcomes. Followers with achievement needs will positively respond to transactional leaders when they see transactional leaders as instrumental in defining the performance standards and clarifying paths towards goal accomplishment. The only reason for accepting the transactional leaders’ legitimacy by these followers is to get more and more extrinsic rewards [19] and to avoid from the punishments which are administered by these leaders as a result of poor performance. On other side, it may be expected that high achiever followers’ satisfaction may be negatively affected by the transactional leadership. Therefore, it is hypothesized that:

H₃: Need for achievement positively moderates of transactional leadership and followers’ performance.

H₄: Need for achievement negatively moderates on transactional leadership and followers’ satisfaction.

Further, the followers with high affiliation needs are emotional and desire the leadership directed at establishing good relationship [1]. However, the transactional leaders are mainly target oriented and administer the rewards/punishments based on subordinates’ performance. Due to this mismatch between followers’ affiliation needs and transactional leadership, it is expected that:

H₅: Need for affiliation negatively moderates on transactional leadership and followers’ outcomes.

Research Methodology: This section briefly discusses the research methodology employed by the researchers to empirically test the above hypotheses. This section has

further, three sub-sections. In the first section, the target population and sampling technique are explained. In second sub-section, the data collection method and respondents’ characteristics are offered. In the final section, the measures of the variables are explicated.

Target Population and Sampling Procedure: The target population of the study consists of medical practitioners working in public hospitals of Punjab. A list of medical practitioners was accessed from Health Department, Government of the Punjab. According to list, about 3,017 medical practitioners are working in public hospitals. To get the representative sample, systematic random sampling technique was applied and every 5th from the list was approached for data collection.

Data Collection Method: Data were collected through self administered questionnaires. Questionnaire covering the demographics of respondents and research variables was constructed. Total 604 questionnaires were administered and 428 were retrieved. Further, 30 questionnaires were incomplete and 398 were used for analysis.

Out of the retrieved respondents, 255 were male and 143 were female. On average, the respondents were 39.9 years old and were having 9.63 years work experience. In the sample, 61.2% medical practitioners were holding BS degree, 37.1% were holding FCPS, 0.6% were having PhD degree and 1.1% were having also some kind professional certificates.

Measures of Variables

Transformational Leadership: The transformational leadership was measured by transformational leadership Inventory [20]. Total 20 items were selected and after ensuring the Eigen value criteria (i.e. eigen value > 1), 17 items were retained and their average scores were used to calculate the transformational leadership style.

Transactional Leadership: Transactional leadership was measured by leader contingent rewards and contingent punishment scales [17]. Total 14 items (9 items for contingent rewards and 5 for contingent punishments) were selected. One item from contingent reward was

dropped after the factor analysis and 13 items' average scores were used to calculate the transactional leadership style.

Need for Achievement: Need for achievement reflects that the individuals having high achievement need are task oriented individuals. They set high performance standards and want to excel themselves. These individuals are only satisfied if they are able to accomplish their tasks [16].

Need for Affiliation: Need for affiliation denotes that individuals with high need for affiliation are emotional and have strong desire to establish good relationships with others at workplace [16]. These individuals have sincere interest in the feelings of others and want to be accepted by the group members [16]. Individuals with high affiliation needs derive satisfaction while maintaining good relationship with others [1].

The items measuring need for achievement and need for affiliation were adapted from Manifest Needs Questionnaire [22]. Total 10 items i.e. 5 items for each need measured the followers' work related needs.

Work Performance: Employees' work performance was measured in term of quality of output, quantity of output, cooperation with peers, dependability, ability to learn and taking initiatives. Self-rated performance scale [23] was adapted and total 6 items were used.

Job Satisfaction: Job satisfaction represents the degree of pleasure arising out after performing the job. The job satisfaction was measured by Minnesota Satisfaction Questionnaire (MSQ) and 6 items were selected from MSQ [24].

RESULTS

The section summarizes the results of study. In the first part, descriptive statistics, reliability scores of the variables and Pearson correlation coefficients among the variables of the study are reported. In second part, the results moderator effects of needs (achievement and affiliation) on leadership styles and work outcomes are summarized.

Correlation Results: The correlation results depict that all the variables are significantly positively correlated with each others except need for affiliation and job satisfaction having no significant relationship.

Regression Analysis: The moderator effects of achievement and affiliation needs on the relationship between leadership styles and followers' work outcomes were tested by using moderated multiple regression. To carry out analysis, leadership styles and needs' raw scores were standardized and then multiplicative term was calculated by simply multiplying the standardized scores and following hierarchical procedure was followed.

$$Y = \alpha_0 + \beta_1 X_1 + \epsilon \quad (1)$$

Y stands for dependent variables (performance and job satisfaction separately) and X_1 represents the independent variables (transformational and transactional leadership separately). β_0 and β_1 are regression weights associated with predictors and ϵ is error term.

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon \quad (2)$$

X_2 represents the moderator variables (achievement and affiliation needs) and β_2 is the regression weight of moderator variables.

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon \quad (3)$$

X_3 is multiplicative term ($X_3 = X_1 * X_2$) calculated by multiplying the standardized scores of independent and moderator variables.

The need for achievement positively moderated on transformational leadership and subordinates' performance and job satisfaction. It shows that followers having dominant need for achievement were positively influenced by the transformational leaders and as a result, high achiever followers' performance and satisfaction were strengthened by transformational leaders. The need for affiliation also positively moderated on transformational leadership and followers' job satisfaction. This can be also proven that due individualized consideration of transformational leaders, followers high affiliation need were satisfied and in return, followers' job satisfaction were increased.

The results shown in Table 4 explain that need for achievement positively moderated the transactional leadership and followers' performance. This shows that transactional leaders are instrumental in improving the performance of followers with high achievement needs. However, the need for achievement has negatively moderated on transactional leadership and followers' job satisfaction.

Table 2: Descriptive statistics and correlation among variables of study

	Mean	SD	1	2	3	4	5	6
1	3.84	0.52	0.90†					
2	3.80	0.47	0.58**	0.83†				
3	4.12	0.44	0.28**	0.26**	0.77†			
4	4.04	0.52	0.10*	0.15**	0.27**	0.78†		
5	3.82	0.57	0.17**	0.16**	0.20**	0.22**	0.83†	
6	3.74	0.61	0.42**	0.35**	0.22**	0.04	0.21*	0.78†

**p < 0.01, *p < 0.05, † the values with bold in diagonal are the reliability scores of variables “1” Transformational leadership, “2” Transactional leadership, “3” Need for achievement, “4” Need for affiliation, “5” Work performance, “6” Job satisfaction

Table 3: Summary of results of needs on transformational leadership and outcomes

Variables	Performance		Satisfaction	
	ΔR^2	β	ΔR	β
Transformational leadership	0.029***	0.121*	0.180***	0.393***
Need for Achievement	0.028	0.173**	0.010*	0.078°
Interaction	0.000	0.005*	0.007°	0.088°
Transformational leadership	0.029***	0.146**	0.180***	0.423***
Need for Affiliation	0.040***	0.207***	0.000	-0.004
Interaction	0.005	0.074	0.000	0.019*

***p < 0.001, **p < .01, *p < .05, °p < .10 ΔR^2 Net variance explained by predictor variables in dependent variables β Standardized beta

Table 4: Summary of results of needs on transactional leadership and outcomes

Variables	Performance		Satisfaction	
	ΔR^2	β	ΔR^2	β
Transactional leadership	0.025**	0.112*	0.122***	0.310***
Need for Achievement	0.030***	0.185***	0.017**	0.123***
Interaction	0.002	0.039°	0.010*	-0.099*
Transactional leadership	0.025**	0.113*	0.122***	0.423***
Need for Affiliation	0.038***	0.215***	0.000	-0.025
Interaction	0.007°	0.087°	0.001	-0.038*

***p < 0.001, **p < .01, *p < .05, °p < .10 ΔR^2 Net variance explained by predictor variables in dependent variables β Standardized beta

The need for affiliation unexpectedly positively moderated on transactional leadership and followers' performance. It may be concluded that these followers try to avoid the punishments administered by transactional leaders and maintained satisfactory performance level. Whereas, the negative moderator effect of affiliation need on transactional leadership and followers' job satisfaction represents that the unfit between leadership style and followers' need has lessened followers' job satisfaction.

DISCUSSION AND CONCLUSION

This study has empirically tested the moderating effects of followers' needs on transformational-transactional leadership and outcomes. A total of 8 possible interaction terms of leadership styles and followers' needs (achievement and affiliation) on

followers' outcomes were tested. Out of 8, the 7 interaction terms were found statistically significant. In case of transformational leadership and followers' needs, 3 moderator effects were significant and were fully supporting the proposed hypothesis that transformational leaders pay a great deal of attention to subordinates' needs and wants. In case of transactional leadership and followers' needs, all moderator effects were found significant. In case of satisfaction, the moderating effects of transactional leadership and followers' needs were supporting the proposed hypotheses that the followers' satisfaction may negatively be affected by the transactional leaders. In case of performance, the followers were found better performers. It may be concluded that the individuals may want to avoid from contingent punishments and that's why, they were trying to maintain their satisfactory performance level.

Furthermore, the results of the study of also provided some kind of the notion that followers choose the leader whom they think responds to their needs and values [2, 19, 25]. Overall, the results of the study proved that the transformational and transactional leadership styles play significant role in influencing the followers' behaviors. From the results, it may be concluded that higher level of motivation on followers' part could be achieved through transformational leaders than the transactional leaders.

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