



Arab Academy for Science, Technology and Maritime Transport
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**“The Impact of Transformational Leadership Style and
Organizational Culture on Employees’ Job Satisfaction: An
Empirical Study Applied on Transnational Corporations in Egypt”**

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Masters in Business Administration

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ABSTRACT

The purpose of this study is to measure the impact of transformational leadership style and organizational culture on employees' job satisfaction working in transnational corporations in Egypt. Attaining employees' job satisfaction is essential to the success of any business. Therefore, employing the right leadership style and positive organizational culture is one of the ways to help leaders in increasing the satisfaction among their subordinates. Data was collected through a questionnaire, the Multifactor Leadership Questionnaire (MLQ) was used to measure the transformational leadership style, Organizational Culture Index (OCI) was used to measure the organizational culture and the Mohrman-Cook-Mohrman job Satisfaction Scale (MCMJSS) was used to measure the employees' job satisfaction. The Questionnaire was distributed over a sample of four hundred employees' who work in six different transnational corporations (TNCs) in Alexandria and Cairo, Egypt. Three hundred ninety questionnaires were collected with 97.5% responses from the participated employees'. Descriptive statistics, Pearson Correlation and Multiple Regression analysis were employed to analyse the data. The data was analyzed by using SPSS software. The results of these study based on two basic independent variables (transformational leadership style and organizational culture) to study their relationships and effects on one dependent variable (employees' job satisfaction). The transformational leadership variable dimensions are idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, where the organizational culture variable dimensions are innovative, bureaucratic, and supportive culture as well as dimensions of employees' job satisfaction are intrinsic and extrinsic job satisfaction.

The results of the study revealed that there is a correlation between the independent variables (transformational leadership style and organizational culture) and the dependent variable (employees' job satisfaction), the relationship between the independent variables and employees' job satisfaction were positive, strong, and linear.

The results show that different transformational leadership style and organization culture dimensions will have different impacts on employees' job satisfaction dimensions. The results revealed that three dimensions of transformational leadership variable, idealized influence, inspirational motivation, and intellectual stimulation have a significant effect on intrinsic job satisfaction while the other variable individualized consideration did not have a significant effect on intrinsic job satisfaction. The results shows that the variables that

contributed the most to the explanation of intrinsic satisfaction was intellectual stimulation with beta value equal 0.245 and idealized influence with beta value equal 0.204. In addition, the results revealed that two dimensions of transformational leadership variable, idealized influence and individual consideration have a significant effect on extrinsic job satisfaction while the other two variables inspirational motivation and intellectual stimulation did not have a significant effect on extrinsic job satisfaction. The results shows that the variable that contributed the most to the explanation of extrinsic satisfaction was idealized influence with beta value equal 0.248.

Furthermore, the results revealed that two dimensions of organization culture, innovative and supportive have a significant effect on both intrinsic and extrinsic job satisfaction while the other factor, bureaucratic does not have a significant effect on intrinsic and extrinsic job satisfaction. Bureaucratic culture does not influence the employees' job satisfaction because it was negatively related to job satisfaction. The results shows that the variable that contributed the most to the explanation of both intrinsic and extrinsic satisfaction was supportive culture with beta value equal 0.530 for intrinsic satisfaction and beta value equal 0,70 for extrinsic satisfaction.

Keywords: Transformational Leadership style, Organizational Culture, employee's Job satisfaction, transnational corporations, Egypt.