

Leadership on Performance vs. Mediating Effect on Job Satisfaction: Evidence From Higher Educational Institutions in Pakistan

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This study aims to determine how transactional leadership influences organizational performance with a mediating effect on employees' job satisfaction. The theoretical and numerical link between these variables of the research topic is highlighted in this study. Quantitative information is gathered for the study utilizing a random sampling method. The HODs of the academic institutions in the Gujranwala region filled out 290 questionnaires that were used to collect the data. Two hundred seventy-two can be used while the remaining are partly filed. Smart PLS 4 was used to examine the data's validity and verify the correlations between the research variables. The validity and reliability of the questionnaire, which was used to gather the data, may be assessed by how precisely the findings were analyzed. Based on data generated by the "smart PLS 4 program," an organization's success depends on its leadership practices, and the mediating variable positively correlates with transactional leadership. This is a unique study for the educational sector of the Gujranwala region, Pakistan, and it calls for more research on leadership and organizational performance.

Keywords: transactional leadership (TL), organizational performance (OP), potential success (PS), financial performance (FP), coworker (C.W)

INTRODUCTION

It is the leadership that leads to a successful organization. Persuading people to perform specific tasks willingly, successfully, and appropriately is an art (Nawaz & Tian, 2022). Transactional leadership is frequently used in educational institutions and is known for rewards and punishments. According to (Avolio et al., 2009), transactional leadership is "largely based on the exchange of rewards contingent on performance." Employees who complete their tasks to the required standards are rewarded, while those

who don't face consequences from the boss. The fundamental tenet of transactional leadership is that people need structure, guidance, and supervision to carry out their tasks since they lack intrinsic motivation. (Scancan et al. 2014).

Organizational performance is a voluntary association of productive resources, such as human and financial resources, for shared objectives (Obeidat, 2016) (Sooknanan & Chee, 2014). Organizational performance assesses where an organization stands concerning criteria or standards that have previously been established. The potential or willingness of the leaders who oversee an organization's success might improve performance.

Transactional contingent reinforcement is a fundamental element of effective leadership conduct. This research paper will discuss how transactional leadership impacts an organization's performance in the educational sector of the Gujranwala region. A few studies have examined how transformational and transactional leadership work collaboratively, even though the literature on both styles has developed significantly over the past 15 years (Bass, 1990).

Transactional leadership often relies on active monitoring and contingency and uses rewards, incentives, and penalties, as well as reinforcement theory. (Rashwan & Ghaly, 2022). Transactional leadership is widely used in educational settings, as students must complete assignments, projects, and exams to obtain outstanding grades (N. Khan, 2017). The link between incentives and punishments meted out by leaders to their team members is highlighted by transactional leadership (İşcan et al., 2014).

The study's dependent variables are organizational performance, transactional leadership, and job satisfaction. An organization's potential success (PS) depends on its entire performance, which can be increased by the hard work of its leaders (Almatrooshi et al., 2016). Organizational performance concerns an organization's actual results or outputs compared to the required or standard outputs (Almatrooshi et al., 2016).

Some organizations surpass competitor organizations as they possess the effective leadership styles of influential leaders, which is very important (Barnett et al., 1994). By motivating the workforce through incentives and penalties, leaders may ensure that their workforce does quality work. (N. Khan, 2017). Transactional leaders implement strategies to improve organizational performance (İşcan et al., 2014). It is the cost-benefit exchange between leaders and the employees of an organization (Saeed & Mughal, 2018).

HRM experts claim job satisfaction to be an attitude and the general feeling of a worker to his work. "Job satisfaction is the extent to which individuals feel positively or negatively various factors or dimensions of the tasks in their work," Marihot Tua Hariadja refers to as "job satisfaction." Job satisfaction measures how satisfied or unsatisfied people are with their jobs (Lee & Chen, 2013). Rafferty & Griffin (2008) states it to be a person's attitude toward their work. It is a psychological reaction to one's responsibilities and the social and physical environment of the workplace.

Leadership is a pivotal factor in steering the performance of educational institutions, which play a critical role in the development of any nation. The fabric of these institutions is often influenced by the leadership style adopted by their administrators, which can significantly affect employee satisfaction and organizational outcomes. Transactional leadership, characterized by a focus on structured tasks, rewards, and exchanges, remains a prevalent approach in various organizational contexts, including the education sector in Pakistan. This research paper seeks to explore the impact of transactional leadership on the performance of educational institutions within Pakistan, with a specific focus on job satisfaction as a mediating variable.

The nexus between leadership style and organizational performance has been extensively studied, yet literature from Pakistani education remains relatively scarce. This gap is particularly noticeable when investigating transactional leadership's effectiveness in a unique environment due to its cultural, economic, and political dimensions. Moreover, the mediating role of job satisfaction—a critical aspect of the work environment—has not been sufficiently explored. Job satisfaction reflects employees' feelings towards their jobs and is often influenced by leadership behavior. Understanding its mediating effect is essential to comprehensively assess the impact of the transactional leadership approach's impact.

Transactional leadership in educational institutions involves a series of quid pro quo exchanges between leaders and followers. Leaders using this approach tend to establish clear goals and provide rewards or

penalties based on performance. In the educational institutions of Pakistan, such a leadership style is commonplace, where the emphasis often lies on compliance, routine, and achievement of short-term objectives. While this may yield results in the form of achieved targets, its broader implications on organizational performance, predominantly when mediated by job satisfaction, are yet to be fully understood.

In the Pakistani educational context, organizational performance encompasses a variety of indicators, including student achievements, staff retention rates, and the institution's reputation. These performance indicators are essential for the growth and sustainability of educational institutions in a competitive landscape. The rationale for focusing on Pakistan is derived from its position as a developing country with a burgeoning educational sector that is instrumental in its human capital development. It represents an amalgam of traditional pedagogical methods and emerging leadership dynamics that can provide insightful implications for theory and practice.

This study aims to contribute to the extant literature by empirically examining transactional leadership's role in shaping organizational performance in Pakistan's educational sector. The mediation effect of job satisfaction on this relationship offers an additional layer of insight, acknowledging that the way educators feel about their jobs may significantly influence the outcomes of their institutions. By focusing on educational institutions in Pakistan, the study provides unique evidence from a non-Western perspective, thereby enriching the global discourse on leadership styles and their effectiveness.

The following sections will provide a theoretical backdrop for transactional leadership and job satisfaction, outline the methodological approach adopted for this investigation, present the research findings, and discuss their implications for educational leaders in Pakistan and beyond. Through this exploration, the study aspires to offer valuable recommendations for policy-makers and educational administrators seeking to enhance organizational performance through informed leadership strategies.

LITERATURE REVIEW

In this study, it is assumed that employee satisfaction influences organizational performance. Since personnel in organizations with better performance levels tend to be happier than those in organizations with lower performance, performance may lead to satisfaction. In this study, several organizational performance indicators, including internal and external criteria, were conducted in academic institutions of the Gujranwala division.

Transactional leaders focus on implementing plans, displaying active management, and enhancing organizational performance. (İşcan et al., 2014). We are writing a paper on "transactional leadership," which holds that there is a relationship between the leaders and the workers of the organization in which they work in terms of rewards and penalties and that the leaders can contribute to the successful operation of an organization. The efficacy of the leadership and how much of themselves they are willing to invest in the organization's success are critical factors in the success of the organization.

This study paper will discuss how transactional leadership may impact an organization's performance. Organizational performance makes the organization more robust and able to exist in a competitive environment. Organizations' performance depends on their leaders' ability and how they can get more and more work from their employees by using their leadership styles or skills. Organizational performance can make the organization able to create a positive impact on its shareholders and customers.

Transactional Leadership

Max Weber introduced the concept of transactional leadership by stating in his book "Socio-Economic Consideration of Organization" that a leader may earn their position via adherence to rigid guidelines, discipline, and a methodical approach (Breuille, 2011). When it comes to the connection between the leader and the employee, the leaders are only interested in the transactions, even when the employee is in Amy's position. By delivering prizes or penalties that inspire other employees, the leader may motivate the workforce to produce results.

Contingent incentives and management by exception are the two components of transactional leadership (Harter, 2003). Darrell Butcher, Torque Group of companies, uses the concept of contingent incentive leadership to highlight the need for top-down leadership: “You can’t expect people to do something that you aren’t prepared to do yourself.” Such leadership traits promote devotion to the workplace and thank others for their accomplishments. According to Ian Penman, Compaq Australia, the link of reciprocal trade between the leader and the followers is one of the distinguishing characteristics of contingent compensation.

To be an effective leader, you must have complete faith in your team’s ability to do the task. The pursuit of organizational objectives and individual needs by leaders and followers through an open-ended, cooperative relationship is a contingent reward. The downside of contingent compensation, however, cannot always be ignored because executives sometimes fail to recognize that organizations are living cultures that depend on collaboration between leaders and employees to achieve synergistic results and instead place a narrow focus on a selected number of performance indicators.

A leader who uses management by exception has implicit faith in their team members to complete tasks to a high quality and refrain from walking the board. Management by exception is not the abandonment of leadership typified by *laissez-faire* leadership. If the objective is met, the system has worked, and the business is still operational to phase in a new day, these leaders do not motivate their teams to produce above-expected results. According to the Director of Finance, Melbourne, there is no feeling of adventure when considering new vistas or global water plans managed by exception leaders.

Without a need for change, leaders will likely continue to perform at the same level. Transactional and transformational leadership, according to Barnard Mass, are not the same concepts; instead, they are two separate topics (Bass, 1990). A strong leader must have these two ideas in mind to work with his or her team to achieve the organization’s goals. The first and third dimensions of transactional leadership (a leader can set up positive and exchange transactions with followers) and management-by-exception, which is when a leader corrects anything that goes wrong, are also provided by Mass as Active and Passive (Bass, 1990). Active leaders may monitor the behaviors, whereas passive leaders must wait for the behaviors to occur before taking action to stop them.

Effective leadership is crucial to raising organizational performance, achieving goals, and improving the company’s reputation (M. M. Khan et al., 2022). The application of these aims is a neglected area in an organization, according to Avon and Bass’s analysis of the literature on leadership styles (Deinert et al., 2015). While the leader might offer incentives, perks, and bonuses to his or her team members, he or she can also discipline them.

We can read different definitions of leadership through various books or research. “Leadership is the process of influencing people to achieve a goal.” “The job of a leader is to get the goals through anyway” (Goleman, 2011).

It was commonly accepted in the 1940s that leadership was an intrinsic quality. Still, this notion was changed in the 1980s to consider that effective leadership is connected to circumstances in which an individual may react differently and lead others using different techniques. Vision and charisma are essential elements of leadership (Brahim et al., 2015). There are several theories of leadership, “Behavioral Theory” and the “Trait Theory,” believe that leaders are not created; instead, they are born. That demonstrates how a leader’s behavior may indicate their personality type.

As they can always ensure that the task or project they are performing will be done well so that there would be no risk of wrongness, transactional leaders may also be seen as defect finders. Employees may no longer anticipate reward behavior only after fulfilling the leaders’ demands (Bass, 1990).

A transactional leader does not evaluate his team members’ performance and is just interested in the outcome. He can monitor the team members’ actions, timings, attitudes, and talking or communication styles, among other things. Command and control, linear thinking, and rewards and punishments are the central tenets of transactional leadership. Because the leader commands it, followers do what they are told. There is no reason required. History demonstrates that it frequently does not engage the entire mind and encourages individuals to choose the quickest path to the goal, even if it means compromising quality or

safety. The reward/punishment button is the leader's only weapon for inspiring followers, and these leaders typically impose their will via terror. There can be no shortage in this regard.

When the personalities of the leaders and the employees are compatible, transactional leadership may work effectively in the workplace, but it may clash with people- and task-oriented personalities. Transactional leadership performs best when a surplus of jobs and deeper demands are also present. When there is a skill deficit, it could, nevertheless, fall short. Most leaders use some degree of transactional leadership behavior. But if it's the only leadership style employed, it may be somewhat restrictive.

When an organization's leaders perform, the organization will also perform well. An organization's entire performance depends on effective leadership, as Leading by example involves guiding others in the desired directions. Contingency leadership frequently prioritizes the bottom line over societal needs or employee worth. Since workers are motivated by their sense of value and fulfillment, they depend on their jobs for a certain degree of productivity. The information on the three research variables is included in this document.

Organizational Performance

Performance refers to how well and successfully a task is carried out. The term "successful performance" has several meanings depending on who evaluates an organization's performance. Additionally, every organization has different conditions, and measuring success is always situational. Version in the context of organizational financial performance refers to measuring the shift in an organization's financial situation or the financial results of management choices and the execution of those decisions by organization members. The metrics used to describe performance are chosen depending on the conditions of the organization(s) being studied since the perception of these outcomes is context-dependent.

It takes a lot of effort to accomplish an organization's goals, and several roadblocks stand in the way of the performers' ambitions. The capacity of an organization to achieve its goals and objectives or effectively complete its projects is mainly dependent on its workforce, which directly affects how well the organization operates. There is no consensus on what constitutes a set of organizational performance. Many researchers base their findings on turnover or overall business rating. A wide range of internal and external standards are required to evaluate an organization comprehensively.

Long (2022) described it as; "The actual results or output as measured by that organization's intended outputs." The organization must achieve its goals when the personnel is led by a good leader (Almatrooshi et al., 2016). Employers are powerless over their workforces; thus, they must appoint a leader to guide them toward the organization's goals. For instance, changing an employee's age, seniority, or personal goals might be challenging. (Cho & Dansereau, 2010).

Performance is a multi-dimensional construct that allows value to be generated on several dimensions, even with a homogenous sample about the notion of value (such as publicly held enterprises, family-owned firms, or not-for-profit organizations).

One of the main elements in improving an organization's success is the performance of its employees. Organizational effectiveness is also influenced by the environment in which it operates. For example, when the employees of an organization see the healthy or good culture of this particular organization, they can feel comfortable, which will enhance their job satisfaction. When the employees are satisfied with the organization, they will perform according to the requirements or rules of the organization, which will increase the organization's overall performance positively.

Suppose the organization is doing this for the betterment and establishment of their employees. In that case, employees of that organization will give their good to the organization, which in turn is known as the performance of that organization.

Effectiveness is recognized as one of an organization's features, including its structural arrangements and operations. When an organization's qualities improve, all its performances also naturally enhance. Several elements, including the environment, influence the success of the firm. The input-output approach, system-wide or political approach, client satisfaction approach, and organizational satisfaction approach are the four methods used to measure the performance of an organization (Kanter & Brinkerhoff, 1981). Because nonprofit organizations have fewer resources than organizations in the public sector, their version

is also affected poorly. Numerous nonprofit organizations offer services at various levels, but their financial resources are insufficient to support their performance. The performance of an organization is a combination of the employee's work, top management, and the leaders of that particular organization who are working for the organization's well-being.

Various elements, such as excellent leadership, employee contentment, a clear vision or purpose, a defined organizational objective, etc., can increase an organization's success. To accomplish corporate goals, individuals inside the organization must carry out their assigned roles within a particular window of discretion. Non-discretionary decisions may cause minor inconvenience to other organization members or ultimately defeat the goals for which the organization was established. When individuals are aware of an organization's goals, they are more likely to give their best, increasing the organization's performance. It is essential to research organizational performance for all of its employees.

Job Satisfaction

"Happy employees are the productive employees." There is some ambiguity concerning the researchers' theories on employees' attitudes and job satisfaction. Lock (1976) asserts job satisfaction as a "pleasurable or positive emotional state that results from the appraisal of one's job or experiences." Because it explains both feeling cognition and thinking, we can find it to be a comprehensive definition of job satisfaction (Azeem, 2010). Job satisfaction is a psychological response to one's obligations and physical and social surroundings. (Saari & Judge, 2004). Marihot Tua Hariadja claimed, "Job satisfaction is the extent to which individuals feel positively or negatively towards various factors or dimensions of the tasks in their work" (Chukwu, 2021).

The performance and productivity of an organization will decline if its employees are unmotivated or have had a negative experience with their leaders (Azeem, 2010). As a result, the company may begin to decline or fall. Numerous ideas exist concerning job happiness.

Porter's discrepancy theory states that "An employee will be satisfied if there is no difference between what is desired and his perception of reality, by measuring one's job satisfaction by calculating the difference between what should be and the perceived reality." Employee work happiness, according to Locke, "depends on the difference between something earned and something expected by the employee." "People will feel satisfied or dissatisfied, depending on whether they feel the existence of equity in a situation," says Adam's theory of justice, commonly known as the equity theory. This theory has four essential parts: input, consequence, comparison person, and equity-inequity. Employee satisfaction levels are determined by comparing their input-output to those of other employees.

Industrial psychologists have struggled with the illusive link between job happiness and performance for nearly 50 years. In their renowned analysis of the earliest literature in this field, (Lawler & Porter, 1967) (Brayfield & Crockett, 1955). Schaffer gave the need fulfillment theory (Staw, 1991), exclaiming, "Job satisfaction will vary directly with the extent to which the needs of an individual that can be satisfied are satisfied." Then Anwar Prabu Mangkunegara said, "Employee job satisfaction depends on the fulfillment or absence of the needs of employees, and employees will feel satisfied when they get the things he needs, the greater the needs of employees are fulfilled the more satisfied the employee and vice versa" (Zelenski et al., 2008).

Organizational scholars are nevertheless fascinated by the notion that job attitudes and satisfaction are connected to job performance despite the vast amount of evidence showing that there is only a modest association. According to a recent study, there is a 17 percent actual population link between performance and satisfaction. Performance and satisfaction research hasn't yet produced any definitive or unambiguous findings except for the moderating effects of incentives. Companies with contented staff are unquestionably more successful and productive than disgruntled ones. Performance and satisfaction may also be more closely related at the organizational than individual levels. It was discovered that employee morale looked higher in organizations that were effective and efficient than those that were ineffective and inefficient (Rodrigues & Rebelo, 2009).

According to Mayo McGregor, contented employees are more productive ones. Organizational productivity is increased by focusing on workers' physical and emotional requirements and ensuring they are satisfied.

According to Siddiqui (2012), the primary goal of any organization is to generate profits; if employees are happy in any organization, the primary purpose of the business structure will be achieved.

For example, Fly Emirates Company, Air India, Saudia Airlines, etc. can strive for employee satisfaction when employees express the company in front of their customers or service takers. These companies are interested in employee satisfaction; if satisfied, they will present their company to passengers that this is the best company they have chosen.

Transactional leadership is the relationship of transactions between the employees and the leaders (Bass, 1990). After detailed study and data collection, we infer that Transactional Leadership is independent and Organizational performance is dependent on transactional leadership.

We have used the questionnaire for the data collection, and the reliability and validity of the questionnaire can be seen from the accuracy of the data analysis. An organization's leadership style ultimately determines performance. When an organization's leaders are motivated to perform well, the organization will certainly function appropriately.

Employees who are given various incentives and penalties can improve their performance. Employees are driven when given incentives for being helpful to the company. Still, they are not interested in being penalized for not being helpful, especially when it is implied that they would be punished for doing something wrong. Job satisfaction is somehow related to organizational performance when the penalties are neglected, and the rewards are highlighted only. In this approach, transactional leadership is autonomous, and transactional leaders are only concerned with their work; they have little interest in developing other kinds of bonds with their coworkers since they are committed to doing their jobs well and delivering results for the company. We examined historical data to determine how this dependent and independent variable differs. The performance, although dependent on the employees' job satisfaction, is not the problem of the transactional leader here (Judge et al., 2000). A transactional leader provides clarification and highlights the standards that employees must meet and does not allow them to go beyond the terms of the deal. He encourages worker conformity through high incentives and sanctions (Bae & Yang, 2017). According to Yin et al. (2020), transactional leadership in the business influences conditional incentives of exploitative innovation.

According to Brayfield and Crockett, there is a "minimal or no relationship" between job satisfaction and performance (Hoff et al., 2020). Previous studies have suggested a negative correlation between transactional leaders and job satisfaction, as this type of leader is only interested in performance and is not concerned with job satisfaction. Early human relationists had a straightforward understanding of the morale-productivity relationship: more morale would lead to higher output, as highlighted by G. Strauss in 1968. These studies have sought to improve the link between happiness and performance in a "real" work environment by using specific theoretically supported treatments, such as contingent vs. no contingent reward schedules for performance.

Other research examined how effectively organizational changes functioned to raise levels of both satisfaction and performance, even when the extent of the link between these two variables was not the primary emphasis. Models demonstrating the inverse association between job performance and job satisfaction lack a sound theoretical underpinning. Instead, it is asserted that people accept them if they think both theoretical explanations are plausible and that performance may be both satisfying and, hence, induced by satisfaction. They are fusions of the first two strategies. More theoretical backing seems required, even if each piece of literature may explain reciprocal models differently. (Mora & Ferrer-i- Carbonell, 2009).

Job performance should only impact job satisfaction to the degree that employees are paid according to their performance. According to this line of reasoning, good performance should be rewarding (or lousy performance should be unsatisfying) to the extent that income is correlated with performance. Transactional management restricts staff members and hampers their personal and professional growth and organizational development at work. This discovery is in keeping with (Sethibe & Steyn, 2017; Udin et al., 2022) that

there isn't any concrete evidence of Transactional leadership's impact on creative behavior. Transactional leadership, as observed by (Bass et al., 2003), comprises two components: administration by exception and dependent incentives. Conditional incentives might increase employees' motivation to work. However, the value of the benefits obtained, such as through problem-solving rather than innovation, finding the most straightforward solutions to issues, and promoting adaptation, limits the employee's desire.

METHODOLOGY

Gujranwala is a vast region that stretches up to 3,622 km², and it has five tehsils with a population of 5,014,196. It has many educational institutions, which is the population of this research. To cater to this, the researcher has used the random sampling technique. In this research, we have used the questionnaire as a research tool to find the impact of transactional leadership on organizational performance with a mediating effect on employees' job satisfaction. The data is gathered from 200 educational Institutions, including colleges, schools, and other institutions. We created the questionnaire for the data collection process, and the different managers in the institutions filled it out. Some questionnaires were filled out from various tehsils of the Gujranwala region, both from urban and rural parts. The persons with whom we filled out the questionnaires were principals, vice principals, or directors of their institutes.

The questionnaire is divided into sections that provide demographic data about the respondent, information about the first variable contributing to the problem, and information about the second variable contributing to the problem. The issue statement and eight to nine demographic questions comprised the demographic part, whereas each section had ten questions about variables. The questions were developed by researching the earlier writings of various authors in various publications. We randomly selected 200 colleges from among the educational institutions in the Gujranwala district as our population, and we asked the HODs to complete the questionnaire. Two hundred and ninety questionnaires were filled out, and 272 were available. The remaining are unfilled or have any errors. To solve our dilemma, we conducted research using the non-probability approach of sampling. The research findings were verified using SPSS 21 and Smart PLS 4 software.

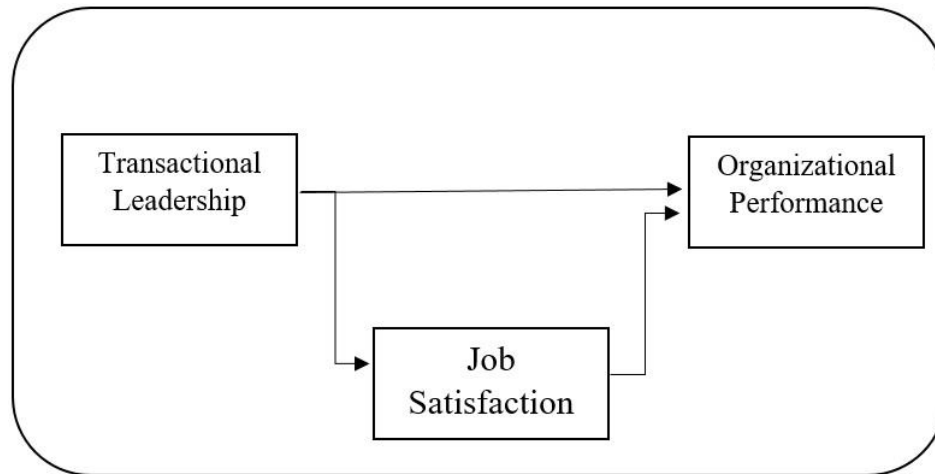
The primary purpose of the research was to find the impact of transactional leadership on organizational performance and check how job satisfaction influences the performance of an organization. This study highlights the theoretical and numerical relationship between the two variables of the research problem with the mediation of a third variable.

The privacy and data misuse were adequately catered to according to the research ethics. Therefore, we have collected the questionnaire information for the data gathering, which can be used in the research process.

The performance of an organization depends on its leader's ability to get work from their employees, as the literature review on this topic affirms. The transactional leader is only interested in the relationship of transactions between employees (Saeed & Mughal, 2018). Transactional leadership style is the study's independent variable. In our research, performance depends on an organization's leadership styles. The performance of any organization cannot increase without the leaders' willingness and the employees' job satisfaction. Performance can be affected by the leadership abilities of an organization because when the leaders pay their interest in the organization, the organization's performance can progress in their interest. The same applies to job satisfaction, which positively influences organizational performance.

In our problem statement, the dependent variable is Organizational Performance, the independent variable is Transactional Leadership, and the mediating variable is the employees' job satisfaction. So, based on previous data, we can say that the performance will progress and company goodwill increases when the leaders of an organization are interested in improving the implementation of the organization. Job satisfaction also positively influences organizational performance (İşcan et al., 2014). When the employees of an organization are offered different rewards and punishments, they can make their own good for the performance of an organization. They are motivated when provided rewards for their excellent giving to the organization.

**FIGURE 1
FRAMEWORK OF THE STUDY**



By seeing this framework, the readers can easily understand the whole process of these variables, how one can affect the other, and how they can create a relationship between them. The overall research result shows that the TL can significantly affect the OP in improving an organization’s performance. An organization’s overall success depends on the ongoing effective leadership styles for the daily transitions. This is not only for one organization but may also be followed by all the existing organizations that can face this issue daily. As we are discussing, the TL is the exchange relationship between an organization’s leaders and employees.

RESULTS

The Cronbach’s coefficient alpha was first used to gauge the measure’s validity in this investigation. The formula that is most usually used to evaluate the validity of a measurement that includes multiple-point items is Cronbach’s alpha. The researcher’s hypothesis was tested, and the measurement’s accuracy was confirmed using the Alpha Cronbach’s Scale.

The measure’s validity in this study is inherent.

TABLE 1

Validity = Reliability

Relatability Statistics	
Items	Cronbach’s Alpha
TL	.971
JS	0.964
OP	0.972

According to (Pongsakornrunsilp & Schroeder, 2011), Researchers must be concerned with reliability and validity to ensure the caliber and credibility of their study findings. An “acceptable” reliability coefficient in social science study contexts is (0.7) or above. (Pallant, 2013). Reliability analysis is one of the most important ways to determine the credibility of opinions given in the questionnaire and, ultimately, the reliability of the research paper. It tells the credibility of the question paper fulfillment methodology. The reliability test method is used to ensure the validity of the question paper, which is mainly done by

checking the alpha value. Here, the most suitable acceptability criteria of scale measurement are from 0.7 onward, while the alpha value showing the range from 0.8 to 0.9 is reasonably considered excellent. If the value is below 0.6, there will be some error while computerizing the data of the questionnaire on the software, or the question paper will not be filled out correctly and precisely. It's just an instrument used to test the validity and reliability of the question paper, which predicts and ensures inner consistency.

Results

The descriptive analysis of demographic factors of research sample respondents, as reported in Table (2), yielded the following results: The analysis based on the demographics is also done to check how many people of the same transactional fall in the category of a specific segment. Here, the demographic represents the information and the characteristics of our population through which the data has been gathered. According to age, education, job description, sector, and some other factors, the preferences differ respectively. It also predicts the percentage analysis to see how many community members have the same opinion about the questionnaire. So, it becomes easy to determine the perception of the majority population and through which that segment or class belongs.

TABLE 2
DESCRIPTIVE STATISTICS OF PERSONAL INFORMATION

Gender	Frequency	Percentage
Male	227	83.5%
Female	45	16.5%
Age		
Under 20	0	0
20 to 29	72	26.5%
30 to 39	158	58.1%
40 to 49	25	9.2%
50 or above	17	6.3%
Nationality		
Pakistani	272	100%
Marital Status		
Single	66	24.3%
Married	206	75.7%
Education		
Bachelors	31	11.4%
Masters	52	19.1%
M Phil	189	69.5%
Sector		
Public	165	60.6%
Private	107	39.4%

The calculation of the “Pearson product-moment correlation coefficient,” which is a method to show (positive or negative) association and also gives the assessment of the strength of a link, was used to analyze the independent and dependent variables (Pallant, 2013). For a positive correlation, a rise in one variable results in an increase in the second variable. In contrast, with a negative correlation, a surge in one measure reduces the other (Pallant, 2007). The “Pearson product-moment correlation coefficient” was used to infer the link between TL, OL, and OP. Table 3 displays “Pearson correlation coefficients” between OP and other factors. According to the correlation coefficients, the research variables appear to be significantly positively correlated.

However, the mean TL value is 3.2, indicating that most respondents agreed with it, and the value standard deviation is 1.34, suggesting that responses varied. Moreover, TL correlates ($r = .225^{**}$) with OP

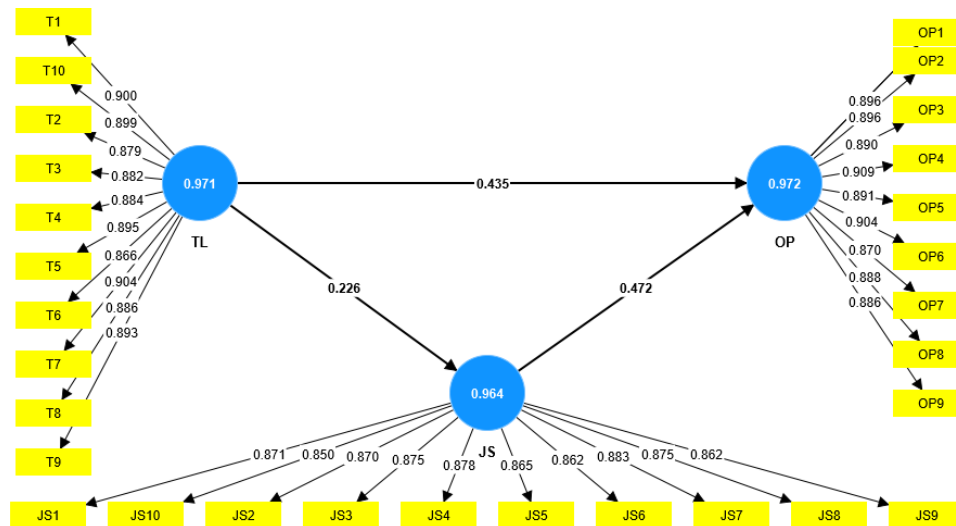
at $p > .01$. JS positively and significantly correlated ($r = .569^{**}$) with OP at $p < .01$. Additionally, TL is positively correlated ($r = .540^{**}$) with JS at $p < .01$. Furthermore, the mean value and standard deviation of job satisfaction and organizational performance is 3.1 & 2.6 and 1.35 & 1.31. According to the results that validate the hypotheses, the “Pearson product-moment correlation coefficient” was computed to demonstrate the link between OP, TL, and JS is positively connected.

TABLE 3
MEANS, STANDARD DEVIATION AND PEARSON’S MOMENT CORRELATION

Variables	M	SD	TL	JS	OP
TL	3.2	1.34	1	0.540	0.225
JS	3.1	1.35	0.540	1	0.569
OP	2.6	1.31	0.225	0.569	1

In this study, the researcher employs structural equation modeling (SEM) to determine the outcomes using SEM (exogenous and endogenous variables) Smart PLS 4, as shown in Figure 2. It demonstrates how transactional leadership, work happiness, and organizational effectiveness are directly correlated. The relationship was examined to determine whether these factors have a statistically significant link. Based on the theoretical underpinnings of this study, the studied variables were used to build the model’s structural shape. The mean values of the exogenous variables presented were calculated using data imputed from the available data. Figure 2 provides the model’s values.

FIGURE 2
STRUCTURAL EQUATION MODELING



Indirect Effects

The smart PLS 4 was used in this experiment to calculate indirect effects and route coefficients. Table 4 shows that when job satisfaction serves as a mediator between transactional leadership and organizational performance, there is a significant direct relationship between transactional leadership and organizational performance ($=.435$; $P > .01$), a significant relationship between job satisfaction and organizational performance ($=.472$; $P > .01$), and a substantial relationship between transactional leadership and job satisfaction ($=.226$; $P > .01$). Therefore, organizational performance and transactional leadership have the mediating effect of job satisfaction could be found at any level.

TABLE 4

	Original sample (O)	P values
Transactional Leadership -> Organizational Performance	0.435	0
Job Satisfaction -> Organizational Performance	0.472	0
Transactional Leadership -> Job Satisfaction	0.226	0
Transactional Leadership -> Job Satisfaction -> Organizational Performance	0.107	0

The analysis showed that the null hypothesis, which stated that transactional leadership unconventional behavior would not have a positive impact on organizational performance, was rejected. In contrast, the alternative hypothesis, which stated that “transactional leadership unconventional behavior will have a positive impact on organizational performance,” was supported by my data set. This finding is consistent with the findings of (Bass et al., 2003; Howell & Frost, 1989; Kilani et al., 2016; Wang et al., 2010), who found that unconventional behavior has a significant impact on organizational performance.

CONCLUSION

With the mediating role of work satisfaction, the study offered an analysis and review of the link between transactional leadership and organizational success. Although there has allegedly been a connection between work happiness and organizational effectiveness, the subject has received little scientific attention. This study aimed to ascertain if the academic institutes in the Gujranwala region can improve organizational performance using a transactional leadership style. Some researchers believe there is no longer a need for ongoing research because they perceive that everyone already knows about job satisfaction. As time passes, fewer researchers focus on the relationship between performance and satisfaction.

According to Bass (1990), transactional contingent reward leadership links leaders and followers by defining expectations, clarifying responsibilities, and offering rewards for achieving expected performance. In this study, we attempted to establish a link between transactional leadership and organizational performance and job satisfaction’s impact on organizational performance in the educational sector. Despite the formality of the transaction, it is claimed that contingent incentive forecasts performance (Waqas, 2012).

(Anita, 2021) conclude that job happiness, leadership behavior, collaboration atmosphere, and autonomy are all positively correlated. According to (Janssen & Van Yperen, 2004), transactional leadership enhances follower job satisfaction, improving employee performance. Nemanich & Keller (2007) also established a connection between management style, employee performance, and work satisfaction. According to (Kahai et al., 2004), a directive and participative leadership style can contribute to more extraordinary performance by raising employee engagement. According to (Judge et al., 2000), work satisfaction bridges transactional and transformational leadership styles and strongly correlates with employee performance. A substantial emphasis on the Pakistani culture has not yet been given, despite studies on many facets of leadership styles and their influence on work satisfaction and employee performance (Riaz & Hussain Haider, 2010).

The preceding study worked on two distinct variables, one of which depends on the other and has been the subject of research that describes how they can impact the other variable. According to the research, a company’s overall performance (OP) depends on its top leadership (TL) since an organization will do well if its leaders are effective. These findings also showed that leadership has a significant impact on employee performance. As a result, organizations must carefully consider the type of leadership they should adopt to boost employee performance in Pakistan’s educational sector. The findings indicate that the transactional leadership style is the best option, but other practices should also be implemented to improve job satisfaction.

The results show that leadership can have the most significant impact on the performance of an educational organization. This study highlights the effects of Transactional Leadership on OP and how this leadership style can influence the educational organization's performance. It also informs a minimal but positive correlation or mediating effect of job satisfaction between transaction leadership and organizational performance.

The researcher has included various studies to conclude based on earlier studies. Numerous studies have been conducted on this issue, but they all employed straightforward language to explain their concepts to readers. The readers will better understand these two factors and how they may interact. There are many degrees of employees in every organization, and they are managed and controlled by different leaders. All existing organizations are working to seek out different techniques to understand these styles to make their organization effective. This research paper will help them find the solution for their leadership problem so they can easily create effective decisions to work efficiently.

Not-for-profit organizations are advised to adopt the transactional leadership style following the data analysis. To demand high performance from their staff, executives must strongly emphasize transactional leadership. The differences between privately held companies and those controlled by the government could influence leadership styles differently, and certain crucial factors that affect employee performance are not considered. Therefore, these factors should be considered in future research, as doing so can produce more valuable results.

There was no control over the consistency of the survey administration technique utilized; all included samples were collected using questionnaires by staff members of private organizations. Contradictory data may have several causes, such as respondents' lack of seriousness, hectic work schedules, or concern over information leakage. All these factors may impact respondents' biases when they complete surveys. Biases or a lack of consistency in sampling may be to blame for the growth of measurement errors in data analysis.

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