Leadership and Culture in Ghana's Tourism and Hospitality Industry: The Impact of Transformational Leadership on Job Satisfaction in an Emerging Economy

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The purpose of this study is to assess the relationship between leadership style, organizational culture, and employee job satisfaction. We specifically examine business leaders in Ghana to explain some of the region's characteristics regarding its emerging economy and business environment. This study seeks to illustrate a significant relationship between organizational culture and organizational performance within the tourism and hospitality industry in Ghana. Managing job satisfaction within an organization is essential to firm performance. Maintaining high employee satisfaction is also critical to retaining skilled employees and keeping the turnover rate at a minimum. One of the ways that are effective in helping managers increase satisfaction among their followers is employing the right leadership style and culture. We surveyed 102 small business owners and managers in Ghana's tourism and hospitality industry. After examining the data collected from the survey instruments, we have a better understanding of whether there is a noteworthy relationship between leadership style and culture as it relates to job satisfaction in the business environments of West African small businesses.

Keywords: transformational leadership, transactional leadership, organizational culture, job satisfaction, entrepreneurship

INTRODUCTION

Extant literature describes transformational leadership as leadership in which the leader has charismatic qualities that motivate followers to perform at a higher level. Followers are stimulated by the transformational leaders' personalities. This stimulation and motivation results in an increased level of commitment to the organization. There is empirical support that suggests transformational leadership has a

positive effect on followers' attitudes and job satisfaction. An organization is a social system and human resources are one of its main sources of competitive advantage and sustainability. In order for a business to have efficient operations, it requires cooperation and commitment among managers and employees. This study explores job satisfaction and its impact on behavior and attitude. Therefore, job satisfaction can indirectly affect organizational performance as well as the achievement of strategic goals and objectives.

This study aims to investigate the relationship between transformational leadership culture and job satisfaction in West African small businesses, specifically Ghana. Organizational culture is very much affected by the organization's leadership and vice versa. For instance, transformational leaders promote change and develop a new vision regarding culture, whereas transactional leaders do not seek to change the culture of the firm. There is a constant interaction between culture and leadership. Leaders create the space for cultural development. This is accomplished by aligning the vision of the company with the norms and behaviors that serve as the foundation of the organization's culture.

This paper contributes to the literature by further conceptualizing transformational leadership. There is a lack of consensus regarding what the concept actually entails (Hoover et al, 1991). Due to leadership challenges and problems of job satisfaction in public and private institutions in Ghana, we propose that transformational leadership is the more effective leadership style. It is also the main contributor to the positive outcomes of business and organizations in the hospitality sector in Accra, Ghana (Rouche, Baker & Rose, 1989). This study investigates the relationship between the transformational leadership style of general managers/entrepreneurs and employee job satisfaction in the tourism and hospitality industry in Ghana. Organizational Description Questionnaire (ODQ) was used to assess leaders in relation to the satisfaction they develop from their jobs.

THEORETICAL FRAMEWORK

Transformational Leadership Theory

Literature states that transformational leadership appears to provide the most advantageous results when it comes to organizational performance and job satisfaction. Transformational leaders have three main objectives which have been proven to be both effective and efficient (Leithwood, 1992). The first objective is to promote collaboration regarding decision-making and planning. The second objective is that transformational leadership fosters professional development by giving subordinates the opportunity to be responsible for a problem and its solutions. Lastly, transformational leadership creates a work environment where employees feel like they have a voice to be an agent of change within the organization (Barnett, 2001). The organization effectiveness and organizational efficiency created by transformational leadership more often translates to increased levels of employee job satisfaction and decreased levels of turnover.

Transformational leaders seek to create new mindsets and viewpoints to promote growth and increase profit within the organization (Mirkamali et al., 2014). Transformational leaders aim to bring individuals together. This type of leader transforms the interests of individuals into the interests of the collective. According to Bass and Avolio (1993), transformational leadership is a spiritual, moral, and conscious process that provides organizations with equitable leadership. A leader in the transformational context has an acute focus on the needs of each follower with the purpose of getting followers to perform at their full potential (Kelly, 2003). The ultimate goal of transformational leadership is to develop followers into leaders themselves in return creating a flatter organizational structure. The transformational leader is the direct opposite to the transactional leader, who doesn't focus on the individual differences subordinates. Transactional leaders do not seek to intellectually stimulate their followers. It is clearly a contractual relationship in the transactional leadership sense (Gelis, 2001).

Research asserts that transformational leadership is more proactive and ultimately more effective than other leadership styles (Webb, 2009). Studies comparing transformational with other forms of leadership such as transactional and avoidant leadership show that transformational leadership is more effective. Transformational leadership is more proactive when it comes to motivating subordinates to go above and beyond when performing job tasks (Nguni et al, 2006). This study examines transformational leadership theory through a global lens. This study aims to investigate whether the theory holds true in an emerging

economy such as Ghana and the region of West Africa. Ghana has a more collective culture than western nations which means transformational leadership may be more effective in this region as well as other emerging economies (Zame & Hope, 2008). However, Ghana also has a larger power distance than western nations such as the United States and Canada. The power distance of this region may prove that the transactional leadership style is a better fit (Mine, 2008; Eskandari, 2014). We hope to shed light on this undiscovered territory and contribute to the leadership and entrepreneurship literature.

Culture and Transformational Leadership

The cultural concept or philosophy that this study looks at is called Ubuntu. Ubuntu captures the central idea of most traditional African cultures. Ubuntu embraces the spirit of caring for others and stresses the importance of community (Mangaliso, 2001). Ubuntu is about being spiritually connected to one another. Kwanza even holds a derivative of Ubuntu which is Ujima focusing on uplifting one's community. Furthermore, it is described as having compassion, reciprocity, and self-respect (Bekker, 2008). The popular African proverb "I am because we are" is also associated with the cultural philosophy of Ubuntu. Ubuntu expresses the African view of the world and is hard to put into an understandable wester context (Ncube, 2010).

Leadership philosophies focus on leaders, behaviors, values, and traits. Just as management concepts leadership theories come in a multitude of forms. In this study, we specifically look at transformational leadership theory. Ubuntu certainly embodies the idea of transformational leadership. Ubuntu states that no individual is more important than another and the respect of one's basic humanity is supreme. Ubuntu is indigenous and Afrocentric very different from the Eurocentric western views (Van Hensbroek, 2001). Management scholars are beginning to acknowledge the significance of cultural perspectives of leadership. Ubuntu culture seems to fit seamlessly with the transformational theory when comparing the commonalities. This connection further explains why transformational leadership in West Africa may need to be implemented on a more frequent basis (Van Binsbergen, 2001). Paying attention to the culture of the business and aligning leadership with that culture is vital to that organization's success. This study adds to the growing need for this area to be explored as it relates to organizational performance and employee well-being.

Transformational Leadership and Job Satisfaction

There are many outcome variables correlated with transformational leadership and job satisfaction is one of the most cited. Studies indicate that employee commitment and organizational citizenship behavior are more prevalent in organizations that have transformational leaders (Koh et al, 1995; Lowe Kroeck & Sivasubramaniam, 1996). Managers and entrepreneurs that practice transformational leadership techniques inspire and motivate their employees to go above and beyond their own interests. They lead with the idea that everyone should behave with the greater good of the organization in mind. When followers focus on the organization's goals and go the extra mile to achieve them this creates a challenge. This challenge motivates followers to become more engaged in their work which increases organizational commitment and job satisfaction (Graham, 1988). Transformational leadership establishes trust between the subordinate and the leader. Trust between the leader and follower is positively associated with various outcomes including job satisfaction. Bryman (1992) discovered that transformational leadership is positively related to a number of important organizational outcomes such as perceived extra effort, organizational citizenship behaviors, and job satisfaction.

METHODS

FIGURE 1
RESEARCH MODEL
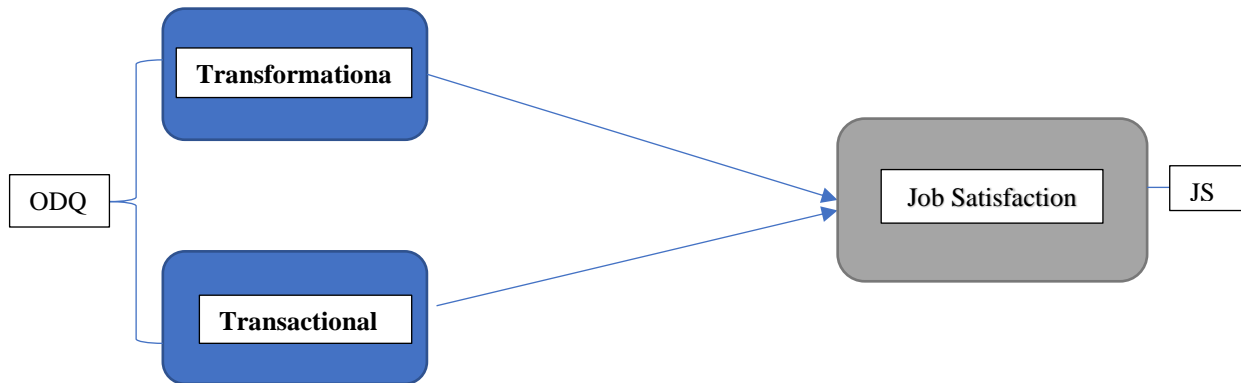
Sample

The target participants for this study were managers and entrepreneurs in Ghana. Respondents were recruited and screened by the 1st and 3rd authors of the paper. A final data set yield of 102 complete responses were collected from entrepreneurs in Accra Ghana. Respondents were working in the tourism and hospitality sector and were active leaders in their respective organizations. This is a unique sample from a unique population. The West African region, specifically Ghana is classified as an emerging market. In addition, the tourism and hospitality sector is growing rapidly and very little literature and empirical studies have been conducted for that sector as it relates to leadership and entrepreneurship.

Survey Instruments

Job Satisfaction

While job satisfaction has recurred significant attention in the management literature, this is one of the few studies to assess job satisfaction within an emerging economy (Adelmann, 1995; Wharton, 1993). In this study, job satisfaction was operationalized using the General Satisfaction Subscale of the Job Diagnostic Survey (Hackman and Oldham, 1975). The respondents completed 6 survey items to capture job satisfaction. The scale consists of 5-items with Likert responses ranging from "Disagree Strongly" (1) to "Agree Strongly" (7). A sample scale item is "Generally speaking, I am very satisfied with this job."

Transformational Leadership

This study examines leadership in the context of different organizational cultures. The study begins with each respondent defining their own organizational culture by means of an Organizational Description Questionnaire (Bass & Avolio, 1992). The Organizational Description Questionnaire (ODQ) consists of 28 items. Included in the ODQ are 14 items supporting a culture of transactional leadership items such as "everybody bargains with everybody else for resources." In addition, 14 items deal with transformational leadership attributes such as "people go out of their way for the good of the institution."

Data Analysis

A multiple linear regression analysis was performed to assess the relationship between the categorical independent variables (IVs) i.e. the 5 types of organizational culture and the dependent variable (DV), job satisfaction. Preliminary analyses were performed to ensure there was no violation of the assumption of normality. A composite score for job satisfaction was calculated as an average of the responses from the widely validated General Satisfaction Subscale of the Job Diagnostic Survey (Hackman & Oldham, 1975).

TABLE 1
REGRESSION COEFFICIENTS WITH "PREDOMINANTLY 4" IS AS CONSTANT

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Predominantly 4 Is	6.400	.207		30.862	.000
High Contrast	5.56	.410	-.204	-2.051	.043
Garbage	2.20	1.136	-.337	-3.698	.000
Moderate 4 1s	5.59	.261	-.331	-3.115	.002
Coasting	5.53	.446	-.192	-1.962	.053
Loosely	4.45	.596	-.309	-3.274	.001

Dependent Variable: Job Satisfaction

To facilitate the analysis of the categorical variables, each IV was recoded as new a dummy variable where (the IV=1, all else = 0); except for the baseline IV, predominantly 4 Is which was coded as = 0 across all the dummy variables. The results (see Table 1) indicated that the model explained 21.9% of the variance and was a significant predictor of job satisfaction, $F(5,96) = 5.399$, $p < .001$.

RESULTS

The unstandardized coefficients may be interpreted as indicators of level satisfaction with 7 being extremely satisfied and 1 being extremely dissatisfied. Holding the IV Predominantly 4 Is constant, all the independent variables were statistically distinguishable significant predictors of job satisfaction except for Coasting (B = .295, p = .07). A notable outcome is that, in this study, there was no statistical difference between coasting and predominantly 4 Is as predictors of job satisfaction.

Regression analyses were used to analyze the data taking into consideration the descriptive statistics of mean and standard deviations. The data analysis showed a positive relationship between transformational leadership and employee job satisfaction. Based on the results of the preceding main analysis, there appeared to be a generally statistically significant positive relationship between the more transformative types of organizational culture — with managers working in predominantly 4 Is organizations displaying the highest levels of job satisfaction. Likewise, managers who reported working in organizational culture types associated with transactional style reported levels of job satisfaction. To confirm this hypothesis, an additional multiple linear regression analysis was conducted to analyze the relationship between the IVs transformational culture and transactional culture levels and the DV job satisfaction. The results (see Table 2) indicated that transformational and transactional culture were significant predictors of job satisfaction, $F(2,99) = 10.97$, $p <.001$. At the $p = 0.05$ significance level there was a positive relationship between the reported level of transformational organizational style and the DV and a negative relationship between transformational style and the DV.

TABLE 2
TRANSACTIONAL AND TRANSFORMATIONAL ORGANIZATIONAL STYLES

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.631	.278		16.680	.000
	TRANSACTIONAL	-.042	.020	-.190	-2.082	.040
	TRANSFORM	.103	.026	.362	3.956	.000

Dependent Variable: JOB SATISFACTION

DISCUSSION

Leadership/Entrepreneurship has always been revered as one of the vital components for a sustainable competitive advantage (Day & Jean-Denis, 2016). Transformational leaders utilize their personal attributes to promote the wants and needs of others within the organization. Managers that have a transformational leadership style seem to be able to transfer individuals to a higher level of performance. Transformational leaders play a significant role in organizational performance. When managers and business owners focus on their employees' personalities and individual differences it motivates them to perform at a higher level. By providing this spiritual stimulation, employees become more involved and are more likely to have higher levels of job satisfaction. This would also translate to lower levels of turnover.

Ultimately, transformational leadership enhances the organization's chance to succeed and create high performance in the business or organization. The results of this study indicate that Ghanaian leaders in the tourism and hospitality sector exhibited transformational leadership qualities. Transformational leadership also had a positive impact on job satisfaction. Thus, leaders, managers, and business owners who are more transformational in their leadership techniques will see greater job satisfaction in their employees. In conclusion, transformational leadership can moderately predict job satisfaction in Ghanaian businesses and enhance their organizational performance.

FUTURE DIRECTION AND LIMITATIONS

One limitation in this study is the extent that the results are generalizable. Future research should look at other emerging economies especially in West Africa to see if the conclusions are parallel to the findings in this study. Countries like Brazil, China, Russia, South Africa, and India could also be considered. Another avenue for future studies is to look at different sectors of the economy. This study could be duplicated in different industries to see if the different dynamics would moderate the relationship between transformational leadership and job satisfaction. Furthermore, different outcome variables should also be explored. Outcomes like innovation capacity, emotional exhaustion, and organizational citizenship behavior should be investigated to see how transformational leadership contributes. Lastly, cultures such as Ubuntu should be examined more precisely to see if the different types of cultures have moderation or mediation effects on the relationship between transformational leadership and the various positive organizational outcomes mentioned.

MANAGERIAL IMPLICATIONS

The study findings validate that transformational leadership has a significant impact on the job satisfaction of entrepreneurs and their businesses. This research adds to the field of entrepreneurship and leadership studies. We provide empirical data directly relating to the emerging global economy. This study lays the groundwork for further understanding leadership and employee relations in the West African region. Managers should now look at innovative ways to improve this relationship between the

leader/entrepreneur and his/her subordinates. With the marginalization of research on transformational leadership in developing nations, this study is timely and a necessary step forward. This holds true especially in Africa as the findings suggest that the transformational leadership model is valid in the Ghanaians tourism and hospitality framework. Moreover, the results of this study demonstrate that cultural differences across international lines do not affect the transformational leadership theory. This body of work is further validation that the transformational and transactional leadership model developed by Bass is in fact universal (1998).

In order to promote job satisfaction, managers and business owners should create a work environment where subordinates feel comfortable expressing their opinions and ideas. Leaders in developing nations should allow their employees to collaborate on important decisions when appropriate. By taking these steps companies will have lower levels of burnout and increased levels of personal accomplishment and job satisfaction (Wakonick, 2004). Companies should provide training, workshops, and professional development opportunities for the leaders to acquire the necessary skills to employ some of the known transformational leadership techniques. Having these programs and training set in place will motivate and increase achievement amongst employees (Cherniss, 1998). Equipped with different transformational leadership styles administrators will have a better understanding of what effective leadership looks like in their respective organizations.

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