Transformational Leadership and Life Satisfaction among Homestay Participants Program: The Mediating Effect of Attitude

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Abstract
This study examines the mediating effects of attitude on the relationship between transformational leadership and life satisfaction. Using data obtained from 304 respondents from the homestay program participants in Malaysia, structural equation modeling results revealed that attitude mediated the relationships between transformational leadership and life satisfaction. Transformational leadership was positively contributes to attitude and life satisfaction. The results also indicate that attitude was positively related to the life satisfaction.

Keyword: transformational leadership, attitude, life satisfaction

1. Introduction
Leadership is one of the key elements of an organization. Many previous studies found that leadership can affect the performance of the employees of an organization, work motivation and job satisfaction (Amin, 2009). Changes occurring in the economic sector and the work environment also influence the leadership style practiced by a manager or head of an organization. In the early 1940s, more leadership is characterized by the traits and behaviors of a leader. However, currently leadership is more concerned on how to transform the knowledge to improve organizational performance in address emerging challenges of economic globalization in the 21st century.

Previous studies by scholars shows that transformational leadership affects individuals, groups and organizations. For example, a study concerning the effects of transformational leadership including job satisfaction (Hwa, 2008; Jazmi, 2009; Horn-Turpin, 2009; Riaz & Haider, 2010), work motivation (Masi & Cooke, 2000; Liu, 2007), employee behavior and performance (Mohd Isa, 2000; Boerner, Eisenbeiss, & Griesser, 2007; Reuvers, Engen, Vinkenburg, & Wilson-Evered, 2008; Walumbwa, Avolio, & Zhu, 2008), organizational culture (Lim & Cromartie, 2001; Yunus, 2009) and organizational commitment (Liu (2005); McColl-Kennedy & Anderson (2005); Kaihat & Rini (2007), Emery and Barker (2007), Farahani, Taghadosi & Behboudi (2011) and Yusof, Amin, Muda, & Ibrahim (2012). Therefore this study aims to explore the relationship between transformational leadership, attitude and life satisfaction.
2. Literature Review

2.1 Transformational Leadership

Research on transformational leadership has been implemented over the past three decades and this theory was introduced and developed by James MacGregor Burns in 1979 and extended by Bernard M. Bass. Burns argues that transformational leadership is a process in which leaders and followers help to improve motivation and morale to a higher level (Wagner, 2009). Bass views transformational leadership based on how the leader affects followers, who are intended to trust, admire and respect the transformational leader (Khairil Annas, 2009). Therefore, his view on the concept of leadership is more focused on the group or organization and have two-way methods between leaders and followers. Transformational leadership has four original dimensions created by Bass in 1985. The dimensions include the idealized influences, inspirational motivation, intellectual stimulation and individual consideration. Idealized influence is defined as the capability to act as a role model whereby the leader becomes admired, respected and trusted. Inspirational motivation pertains to the ability of the transformational leader to create an inspiring, motivating, convincing and attractive future vision. By the use of symbols and the display of optimism and power, leaders are able to encourage followers’ belief in their ability to perform (Bass & Avolio, 1994). Intellectual stimulation thrives within a supportive climate where creativity and innovation are crucial for the leader’s ability to arouse within followers an awareness of problems and recognition of their own beliefs and values. Individual consideration is a trait whereby the leader gives personal attention to his followers, taking into consideration their differences (Bass & Avolio, 1994).

2.2 Life Satisfaction

Life satisfaction is a very important variable for social science field. In psychological literature, there seems to be consensus that psychological well-being has two components, affective and cognitive, and the cognitive component is usually called life satisfaction (Diener 1984; Ryff 1989). As a cognitive aspect of psychological well-being, life satisfaction is found to be more stable than the affective aspect of psychological well-being including happiness, which is often influenced by the mood swing of the respondent (Ryff 1989). In our general evaluation of everyday life, life satisfaction often called “psychological well-being” or “happiness” (Kamo, 1998), “liking” or “dislike” of his or her life (Heller, Watson and Ilies, 2006). Shin and Johnson (1978), Veenhoven (1996), Rampichini and D’andrea (1997) define life satisfaction as “a global assessment of a person’s quality of life according to his chosen criteria. In this classification, life satisfaction represents a global cognitive evaluation or judgment of one’s satisfaction with his or her life. According to this view, life satisfaction can be viewed as an attitude: “a summary evaluation of objects along a dimension ranging from positive to negative” (Petty, Wegener, & Fabrigar, 1997).

Life satisfaction is an important component of psychological health and well-being. Life satisfaction has been defined as a subjective appraisal of the quality of life (Diener, Suh, Lucas, & Smith, 1999). Psychological well-being is related to self-acceptance, which can be achieved by everyone who have a positive attitude toward themselves (Kim & Kim, 2008; Melendez et al., 2009). We can differentiate between two conceptualizations of well-being such as subjective and psychological (Keyes, Shmotkin, & Ryff, 2002). Studies reviewing subjective well-being have focused on both affective (balance between pleasant and unpleasant affect) and cognitive (life satisfaction) components of well-being (e.g., Schimmack, Radhakrishnan, Oishi, Dzokoto, & Ahadi, 2002).

2.3 Attitude

According to psychologists, attitude can be divided into three main components; affective, behavioral and cognitive. Affective component lead to a feeling of an object, while the behavioral component is a tendency to act in certain behaviors associated with attitude. Cognitive component refers to knowledge and beliefs an individual on an object. Although attitudes can be divided into three components, but all three components are related to the information and stabilization of the attitude of an individual (Rajecki, 1989; Carmichael, 2006; Zainol dan Kamil, 2009).

3. Conceptual framework

3.1 Link between transformational leadership and attitude

Recent work also indicates that transformational leadership has a positive relationship with followers attitude toward work (Walumbwa, Lawler, Avolio, Wang & Shi 2005).
Walumbwa, Wang & Lawler (2003) also found that transformational leadership has a direct and indirect employee attitudes towards work, through the influence of mutual trust. In addition to examining the positive impact of attitude Kirkpatrick, Shelley A.; Locke, Edwin A (1996) concluded that the vision of high quality weakly affected performance quality but significantly affected many attitudes. Vision implementation, in the form of task cues, affected performance quality and quantity.

Jung, Yammarino, & Lee (2009) conducted a study on the Executive MBA program at a private university in Korea and two public universities in the United States found that the attitude of followers as an influence on the relationship between transformational leadership and effectiveness of association occurs only in the United States. This study was supported by Kuo, Ho, Wu & Lin (2010) in his study on 221 employees from 10 companies in Taiwan technology proves that the transformational leadership has a positive relationship with attitude followers. Gregory A. Aarons (2006) noted that transformational leadership has positively associated with providers’ having more positive attitudes toward adoption of evidence-based practice, Dongil Jung; Francis J. Yammarino, Jin K. Lee (2009) Results from WABA and regression analyses indicated that transformational leadership operated at the individual level of analysis in both samples and was effective across different cultures. Specifically, followers’ attitudes served as moderators of the transformational leadership–effectiveness association only in the U.S. sample, while collectivistic orientation had a significant moderating effect in both samples. Barroso Castro, Carmen; Villegas Perinan, Ma Mar; Casillas Bueno, Jose Carlos (2008). There is a strong evidence that transformational leadership substantially influences the work attitudes and behaviors of followers. Based on the arguments had been discussed, the following hypothesis was propose:

$$H1: \text{ Transformational leadership may contribute positively to attitude}$$

### 3.2 Link between attitude and life satisfaction

Attitude is a psychological tendency that is expressed by evaluating a particular entity with some degree of like or dislike (Eagly and Chaiken, 1993). In other words, an attitude represents a unobservable evaluative tendency that manifests itself through fairly stable responses to a related class of stimuli. Thus, people hold well-formed, enduring attitudes that they can access in their mental representations stored in memory (Heller, Watson & Ilies 2006).

Although many studies have been conducted to identify residents’ perception of tourism impacts and attitudes toward tourism, just a few research have assessed relationships between tourism development and community satisfaction (Ko and Stewart, 2002). Allen et al. (1988) revealed that relationships between tourism development and community life satisfaction were generally nonlinear with citizen involvement, public services, and the environment being most sensitive to tourism development. They argued that negative attitudes about tourism appear to be limited to certain dimensions of community life related to public services and opportunities for civic involvement. Unfortunately, their study did not discuss relationships between residents’ perception of tourism impacts and community life satisfaction.

Huang and Stewart (1996) indicated that tourism development may change residents’ relationships to their community. It is generally felt that the perception and attitudes of residents toward the impacts of tourism are likely to be an important planning and policy consideration for successful development, marketing, and operation of existing and future tourism programs (Ap, 1992). Şahin (2010) in his study found that, the students studying at Cyprus International University Faculty of Education have a positive attitude towards the teaching profession and a high level of life satisfaction. This leads to the following hypothesis:

$$H2: \text{ Attitude may contribute positively to life satisfaction}$$

### 3.3 Link between transformational leadership and life satisfaction

Transformational leadership is associated with enhanced well-being (Arnold, Turner, Barling, Kelloway, & McKee, 2007). High-quality leadership also has the potential to positively influence others’ subjective well-being (Arnold et al., 2007; van Dierendonck, Haynes, Borrill, & Stride, 2004). Morton, Barling, Rhodes, Mâsse, Zumbo, and Beauchamp (2011) in their research conclude that adolescents’ perceptions of their parents’ transformational leadership behaviors will be positively associated with enhanced self-regulatory efficacy related to two key health-enhancing behaviors such as physical activity and healthy eating, as well as improved life satisfaction.

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Transformational leadership of supervisors effect a positive influence on the worker’s psychological well-being (Arnold, Turner, Barling, Kelloway and McKee, 2007). This leads to the following hypothesis:

H3: Transformational leadership may contribute positively to life satisfaction

3.4 Link between transformational leadership, attitude and life satisfaction

Lord and Brown (2004) reveal that more research is needed on how transformational leadership influence followers psychological reactions and how the reactions affect the work. Although there are several moderator variables that may influences the relationship between transformational leadership and its effects, attitude is most important psychological aspects of the transformational leadership impact either increase or decrease among follower (Yusnita, 2012; Jung & Avolio, 1999; Conger & Kanungo, 1998; Podsakoff et al., 1990).

Individuals who have a good life satisfaction will be more comfortable and proper life daily. In the existing literature, there are many predictors and intervening variables for general life satisfaction they can be classified into three groups; demographic, psychological, and economic variables. Demographic variables are basic ones such as age, gender, marital status, and employment status/conditions. Types of jobs, job titles, and working conditions may also be important for life satisfaction through their prestige and quality of everyday work life (Kamo, 1998). Economic variables refer to economic circumstances in general, such as household income, wealth, and subjective class position.

Community satisfaction is determined through the level of satisfaction with a community’s infrastructure, job opportunities, and social support network (Gove and Geerken, 1977; Filkins et al., 2000; Sirgy et al. 2008). In addition, a growing number of studies have demonstrated that transformational leadership behaviors can be developed through intervention, and that followers’ attitudes and behaviors can be positively influenced as a result of their leaders’ newly acquired transformational skills (Avolio, Reichard, Hannah, Walumbwa, & Chan, 2009). This leads to the following hypothesis:

H4: Attitude may mediate the relationship between transformational leadership and life satisfaction

The conceptual/theoretical framework of the mediating relationships between transformational leadership, attitude and life satisfaction is summarized in diagram 1.

4. Method

4.1 Participants

The study used cross-sectional survey design by quantitative method which is measured several samples to predict research population (Punch, 2009; Cohen, Manion & Morrison, 2007; McMillan & Schumacher, 2006; Airasian & Gay, 2003; Sidek, 2002; Dooley, 2001; Neuman, 2000). The data was collected from 304 respondents of 39 homestay program in Malaysia using cluster random sampling method and Krejcie and Morgan (1970) determine sample’s size technique. The respondent were 33.9% male (103 respondents) and 66.1% female (201 respondents). The majority of respondents were middle age, 34.9% (106 respondents) were within 50 to 59, 3.3% (10 respondents) were aged between 20 to 29, 7.9% (24 respondents) were aged between 30 to 39, 28% (85 respondents) were aged between 40 to 49, and 26% (79 respondents) were aged 60 and above. Most of the respondent were married with percentage of 78.9% (240 respondents) and 15.1% (46 respondents) were widow and the rest 18 respondents (5.9) were single. Majority respondents (63.8%) have income RM2000 and below, 76 respondents (25%) have income between RM2001 to RM4000, 8.6% (26 respondents) have income between RM4001 to RM6000 and the rest 8 respondents (2.6%) have income RM6001 and above. From the year of service, majority of respondents (180 respondents) served 60 month and below, 28.9% consist of 88 respondents served from 61 month to 120 month, 10.5% consist of 32 respondents served from 121 month to 180 month and the rest 1.3% of respondents served for 181 month and above.

4.2 Measures

The variable of Transformational Leadership was assessed using Multifactor Leadership Questionnaire (MLQ) design by Bass and Avolio (1995) and was modified by Abdullah (2010). This part is contains of 33 items related to leadership. The constructs consist of idealized influences (10 questions), inspirational motivation (9 questions), intellectual stimulation (7 questions) and individual consideration (7 questions). The questionnaire to measure the attitude of the respondent and life satisfaction was developed by Shukery et.al (2007) and contains of 6 items.
4.3 Analysis

Data were analysed using Structural Equation Modeling (SEM) with AMOS 18 programme. The hypothesis (H1, H2 dan H3) was tested using linear regression. The value of critical ration (CR) greater than 1.96 and significant value (P) less than 0.05 showed that the predictor variable was significant contributed to responsive variable. Fully mediated and partial mediated method were applied to test the effect of mediator in relationship between predictor and responsive variable. Model without mediator effect was tested first, then followed by model using mediator as intermediate between predictor and responsive variable. If the result show the value of $\chi^2$ in model with mediator is less, it is the indicator that mediator was fully mediated the relationship between predictor and responsive variable (Marsh et al, 1988; Browne and Cudek, 1993; Anderson and Gerbing, 1988). In other way, if the indirect effect value was less than the value of total effect, it show the mediator was partial mediated the relationship between predictor and responsive variable. (Shrout and Bolger, 2002; Mckinnon et al, 1995; Mckinnon and Dwyer, 1993).

5. Results

5.1 Descriptive statistics

The result in Table 1 showed all the observed and latent variable in suggested model was normally distributed, meaning that parametric testing was allowed. The result also indicated all the predictor, mediator and responsive variables were significant inter-correlated between each other.

5.2 Hypotheses testing

Table 2 show transformational leadership contribute positively to attitude (CR=0.623, P=0.0) and life satisfaction (CR=2.54, P=0.01). The attitude also contribute positively to life satisfaction (CR=4.647, P=0.00). Therefore H1, H2 and H3 were accepted.

Table 3 show the value of indirect effect (.083) less than the value of total effect (.230). Therefore, we could conclude that attitude was partially mediated the relationship between transformational leadership and life satisfaction (Shrout and Bolger, 2002; Mckinnon et al, 1995; Mckinnon and Dwyer, 1993). So, H4 also accepted.

The result in Table 4 showed a not significant $\chi^2$ value for model with mediator (.187) compare to the model without attitude as mediator (.00). That’s mean the model with attitude as mediator was similar to collected data compare than model without mediator (Chua, 2009; Meyers, Gamst dan Guarino, 2006). The value of $\chi^2$ for model with attitude as mediator (11.275) also less than the value for model without mediator (62.983). It’s mean the model with mediator was better matched to the collected data (Marsh et al, 1988; Browne and Cudek, 1993; Anderson and Gerbing, 1988). So, we can conclude that the attitude was fully mediated the relationship between transformational leadership and life satisfaction among the homestay operators. It’s the strength prove to accept H4. The value of Bootstrap for final model with mediator (.254) also shown that model was valid compare not valid model without the mediator (0.005) (Bollen and Stine, 1992).

Diagram 2 showed the result of final model. The final model was significant fit to the hypothesis model that was suggested. The final model explains that transformational leadership was significantly contributed to life satisfaction among homestay operators in Malaysia. The model also concluded that variable of attitude significantly affected the relationship between transformational leadership and life satisfaction.

6. Discussion

Leadership is a responsibility of a leader in achieving organizational goals and be the determinant of the success of any organization. Leaders need to shape the appropriate leadership style to be applied in an organization to ensure that followers can keep pace in achieving a success. This study found that life satisfaction among homestay operators at a satisfactory level. However, leaders should play an important role in enhancing their life satisfaction. Based on the findings, it was found that the four dimensions of transformational leadership such as individual influence, inspirational motivation, intellectual stimulation and individual consideration has a significant relationship with life satisfaction among homestay operators in Malaysia. Attitude is one of the most important psychological aspects that are influenced by the leadership style. Attitude also plays an important role in enhancing life satisfaction among homestay operators. In this study, attitude serve as a mediator in the relationship between transformational leadership and life satisfaction.
Research on transformational leadership is very important for all organizations. This is because the type of transformational leadership practiced by them determines the management styles at the respective organization. Practices towards transformational leadership, which are based on four dimensions, have been proven to encourage the attitude of the homestay participants and consequently will increase their life satisfaction. This study also found that fertilizing towards attitude cannot be avoided. Conducive working environment that is produced from the effectiveness of transformational leadership practices need to be focused and extended into other organizations because it is the most important contributor to increase the life satisfaction of the people in the organization.

7. References


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**Figure and Table**

![Diagram 1: Hypothesis Model](image1)

**Diagram 1: Hypothesis Model**

![Diagram 2: Final Model](image2)

**Diagram 2: Final Model**
Table 1: Normality, descriptive statistics and matrix correlation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Mean</th>
<th>Sd</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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</thead>
<tbody>
<tr>
<td>1 Transformational leadership</td>
<td>.11</td>
<td>-.75</td>
<td>2.08</td>
<td>.61</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Attitude</td>
<td>.92</td>
<td>.63</td>
<td>1.59</td>
<td>.49</td>
<td>.31</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Life satisfaction</td>
<td>-.27</td>
<td>-.46</td>
<td>1.75</td>
<td>.48</td>
<td>.23</td>
<td>.31</td>
<td>1.00</td>
<td></td>
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<td></td>
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<tr>
<td>4 Idealized influences</td>
<td>.14</td>
<td>-.77</td>
<td>2.06</td>
<td>.63</td>
<td>.94</td>
<td>.29</td>
<td>.21</td>
<td>1.00</td>
<td></td>
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<tr>
<td>5 Inspirational motivation</td>
<td>.04</td>
<td>-.78</td>
<td>2.09</td>
<td>.63</td>
<td>.92</td>
<td>.29</td>
<td>.21</td>
<td>.87</td>
<td>1.00</td>
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<tr>
<td>6 Intellectual stimulation</td>
<td>.02</td>
<td>-.73</td>
<td>2.15</td>
<td>.65</td>
<td>.91</td>
<td>.28</td>
<td>.21</td>
<td>.86</td>
<td>.84</td>
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<td>7 Individual consideration</td>
<td>.22</td>
<td>-.65</td>
<td>2.08</td>
<td>.61</td>
<td>.94</td>
<td>.29</td>
<td>.21</td>
<td>.88</td>
<td>.87</td>
<td>.85</td>
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Table 2: Regression weight

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<th>C.R.</th>
<th>P</th>
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<td>.047</td>
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<td>29.284</td>
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<td>.055</td>
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Table 3: Total, direct and indirect effect

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<td>Transformational leadership</td>
<td>Transformational leadership</td>
</tr>
<tr>
<td>1 Attitude</td>
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<td>.000</td>
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<td>2 Life satisfaction</td>
<td>.230</td>
<td>.264</td>
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Table 4: Comparison model

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<th>With mediator</th>
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<tr>
<td>$\chi^2$</td>
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<td>11.275 (p=.187)</td>
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<tr>
<td>df</td>
<td>5</td>
<td>8</td>
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<tr>
<td>$\chi^2$/df</td>
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<td>1.409</td>
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<tr>
<td>GFI</td>
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<td>.987</td>
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<td>CFI</td>
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<td>PCFI</td>
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<td>PNFI</td>
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<td>Bootstrap Bollen-Stine</td>
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