Impact of Transformational and Servant Leadership on Organizational Performance and Job Satisfaction: An Empirical Assessment of Pharmaceutical Firms in Thailand

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The present research aims to study the relationship between two leadership styles i.e. transformational leadership and servant leadership with organizational performance and job satisfaction in the management of the pharmaceutical organizations in Thailand. Since leadership impacts the employee performance and attitude therefore leadership impacts organizational performance and job satisfaction. Quantitative method was used to carry out the analysis with the help of correlation and regression to find the effect of transformational and servant leadership on organizational performance and job satisfaction. The research outcome shows that both the leadership styles have a positive relationship with organizational performance and job satisfaction.

Key words: Transformational leadership, servant leadership, organizational commitment, job satisfaction, pharmaceutical firms.
Introduction

Prior studies center around significant variables impacting on organization's performance (Choi & Yu, 2014; Dawabsheh, Hussein, & Jermsittiparsert, 2019; Jermsittiparsert, Sutduean, & Sutduean, 2019). Gaining a better comprehension of what factors affect the successful improvement of an organization’s performance is of particular importance. Prior research stresses the important role of innovation (Forés & Camisón, 2016; Tarusikirwa, 2017), organizational learning (Hooi & Ngui, 2014; Hu, 2014) and transformational leadership (Atmojo, 2015; Nasrin, 2018) in enhancing a firm’s performance. In any case, little research has studied the impacts of transformational leadership on a firm’s performance through the intervening elements of various vital factors, for example, innovation, knowledge management and organizational learning.

Transformational leadership can be characterized as the style of authority that elevates awareness of aggregate enthusiasm among the association's individuals and encourages them to accomplish their aggregate objectives. Conversely, transactional leadership centers around advancing the individual inquisitive nature of the leaders and their devotees and achieving the fulfilment of legally binding commitments with respect to both by building aims and observing and controlling the outcomes (McCleskey, 2014). The use of transactional and transformational leadership styles is made by leaders to various extent (Breevaart et al., 2014). This research study mainly focuses on transformational and servant leadership styles. Emphasis has been made on values, emotions and the significance of leadership to empowering innovativeness in workers in the different theories of transformational leadership. Workers are a significant asset in a firm, an asset for which responsibility is taken by transformational leader and efforts are made by the leader to promote his or her professional development (Pradhan & Pradhan, 2015).

Charisma is a part transformational leadership, transformational leaders motivate and enhance intellectual stimulation. Charm creates the pride, confidence and regard that these leaders work to urge in their sub-ordinates so that they themselves can possess these traits. Motivation for subordinates is inspired by transformational leaders generally through correspondence of high expectations. With enhancing subordinates’ intelligence a priority, scholarly simulation is also promoted by such leaders, along with learning and knowledge so that subordinates can be imaginative in their critical thinking. The impact of transformational leadership on a firm’s performance has been investigated by different studies through various intermediate variables for example, entrepreneurship (e.g. Engelen et al., 2015), culture (e.g. Kim, 2014), management of knowledge (e.g. Birasnav, 2014), coinciding in top supervisory groups (e.g. Tseng & Lee, 2014), adaptability (e.g. Wang, Demerouti, & Le Blanc, 2017), competitive strategies (e.g. Mahdi & Almsafir, 2014), management of human resource that enhances human capital (e.g. Shamim et al., 2016) and absorpton limit (e.g. Lee et al., 2014). Be that as it may,
comprehension of the procedures through which the leader applies this impact is as yet restricted and to a great extent theoretical.

The increased focus on the consumer has been discovered by many organizations and they are moving ahead to act as consumer-centric organizations. Preferably in such firms, all workers comprehend the significance of their jobs in focusing on and serving clients. In any case, consumer-centricity is especially significant for boundary-spanning workers. The organizations that have embraced consumer-centricity as a technique for making progress give rise to a critical question. In what capacity would organizations be able to assemble a culture where the outlook and inspiration of workers, particularly boundary spanners, demonstrate a real concern for and focus on clients? Notwithstanding cautious contracting choices, leaders of the firm are those who consistently and purposefully create this consumer driven attitude, embedding it into the very texture of the firm.

The servant leadership model, as presented by Greenleaf (1977) appears to be particularly appropriate to furnishing representatives with the strengthening and participatory role traits that are identified with both workers and consumer satisfaction as noted previously. According to Greenleaf (1977), the focal point of servant leadership is on others as opposed to self and on understanding the part of the leader as a servant. As indicated by Sipe and Frick (2015), the servant leader takes into consideration the situation of the worker and targets their satisfaction through identification of the needs of others. When supporters are the beneficiaries of servant leadership behavior then improvement of servant leader culture occurs. By taking part in practices that re in the interest of the leaders and fellow colleagues, for example, citizenship practices result in reciprocity for the follower of the help they receive (Tiwari, Shahbaz, & Hye, 2013; Beck, 2014). Development of increased leader-member exchange (LMX) relationships in work settings is also more likely to occur since there is a focus on structuring the leadership aptitude in employees by servant leaders (Sipe & Frick, 2015), followers may take on casual leadership parts in their work settings, addressing the necessities and wants of fellow workers. Firms may help cultivate productive leader-follower relationships in diverse or large gatherings by training the leaders in various styles of leadership. "Servanthood" (Cooper, 2014) in this way fabricates a working atmosphere that creates sentiments of empowerment, bringing about better execution.

The attitude of the workers towards their occupation is highly affected by the leadership. A change has occurred in the present day role of the leaders and the leadership styles practiced by the leaders in these firms. Genuine leasers, as indicated by Atmojo (2015), draw in others with their considerations and humility since they include themselves in what they are really doing and not for their individual benefit. It is significant for all sorts of organizations to guarantee organizational commitment and occupation fulfilment. Numerous variables can influence employees’ job satisfaction and their sentiments with respect to organizational
commitment, be that as it may, a standout amongst the most significant elements is the leadership behavior possessed by the managers (Daft, 2014).

Success of organizations is based upon human capital. An interested and energetic workforce will have better capacity to work for the success of organization. Human capital management depends upon organization nature, if these two align for organizational goals, results will be surely positive. In the event that leaders have positive impact on employees, groups of people and organizations, at that point the authority/leader should not be strict and bossy rather they should be polite, humble and respectful. Leaders of the modern era embrace a state of mind that help employees, give them a dream, develop trust, urge them to think creatively, individualize thought process and widen the correspondence. This is a procedure that impacts individuals keeping in mind the end goal to achieve intended outcomes. Cameron, Quinn, Degraff and Thakor (2014) indicate that leadership assumes a fundamental job in deciding the achievement and disappointment of a firm. This study will help in understanding that leadership plays a vital role in success of a pharmaceutical organization in Thailand because if an organization wants to attain maximum advantage from its employees then it needs the right leadership style to ensure efficacious performance in the market.

**Literature review and hypotheses**

**Leadership**

Leadership style has been featured as a vital factor affecting advancement and information (K. S. Cameron et al., 2014; Daft, 2014; Hartinah, Suharso, Umam, Syazali, Lestari, Roslina, & Jermsittiparsert, 2020). Servant leadership style regularly delivers more noteworthy execution of association in the event that it is contrasted with transactional leadership (Sipe & Frick, 2015; Toros, 2018). The principle accentuation of leadership is the distinction among servant and transformational leadership. In both of these styles of leadership the accentuation is chiefly on the followers, as critical consideration is to be paid on administration to followers as a servant leader, while transformational leaders include supporters by utilizing their energies towards achievement of objectives. There is an inclusion of transformational and servant leaders in the ceaseless advancement and learning of their supporters.

It has been expressed by Liden, Wayne, Liao and Meuser (2014) that servant leaders concentrate less on authoritative objectives and rather trust, essentially centering on their supporters more to work in the best advantages for the organization. Servant leaders can build the level of moral reasoning and moral execution all through their organizations. Servant foundations can be framed to contribute in a positive way to the general public. Hoch, Bommer, Dulebohn and Wu (2018) suggest the "how" of servant leadership instead of "what." This has been accomplished by operationalizing servant leadership conduct and these components are additionally viewed as what impacts the followers and the appraisal of their relationship to
organizational performance. Employees working in IT organizations or sales associations hone this leadership model, they might be more committed to values of associations and manage high levels of performance (Kim, 2014; Tyagi & Siddiqui, 2017).

**Servant Leadership**

Greenleaf (1977) proposed servant leadership many years ago and the agreement among researchers and investigators about the particular clarification of this theory has not been reached (Beck, 2014; Van Dierendonck et al., 2014). A broad literature review distinguished six fundamental features servant leaders use, authenticate and build up their supporters; modesty; acknowledge individuals as they are; guide individuals, work for society’s improvement.

Since the mid-1990s, scholars of servant leadership have perfected the operational subjects that might be related to servant leadership. Starting with makers—the specialist activity factors related with every maker are recorded by their name—and have been entered in the speculative meaning of worker expert in perspective of Greenleaf's (1977) basic framework: (a) Rachmawati and Lantu (2014)— motivational and moral measurements; (b) Winston and Fields (2015)— self-character, restrict concerning correspondence, relationship building, and distraction with what's to come were fundamental subjects; (c) Chan and Mak (2014)— tuning in, sympathy, compassion, recuperating, care, impact, conceptualization, premonition, stewardship, obligation, and building network; (d) Bande, Fernández-Ferrín, Varela-Neira and Otero-Neira (2016)— vision, affect legitimacy, trust, and organization; (e) Burton, Welty Peachey and Wells (2017)— regarding people, making people, building system, indicating validity, giving expert, and sharing organization; (f) Sousa and van Dierendonck (2017)— vision, trustworthiness, trust, advantage, illustrating, spearheading, recognizing others, likewise, fortifying; (g) Donia, Raja, Panaccio and Wang (2016)— love, quietude, benevolence, vision, trust, reinforcing, and organization.

Servant leadership works in the condition when nature is less powerful (Dierendonck & Sousa, 2016; Vargas, 2017). On the off chance that we contrast servant leadership and ethical and authentic leadership, (Liden et al., 2014) it has been indicated that servant leadership can be helpful as the organization’s achievement is connected with the accomplishment of the organization’s partners. It was concurred that servant leaders are more focused towards the betterment and welfare of supporters than transformational leaders (Hoch et al., 2018).

The evaluation of Greenleaf, Daft (2014) created a summary of four essential principles related to servant leadership:

1. Selfless service;
2. Listening;
(3) Trust creation; and
(4) Nourishing followers (Daft, 2014).

If servant leadership and transformational leadership are compared, servant leaders are more focused on passionate welfare of individuals. Pradhan and Pradhan (2015) likewise foresaw that transformational leadership makes an "engaged powerful culture", in any case, conduct of servant leaders would build a "profound generative culture". It is contended that the servant leadership model works best in a more steady condition and fills formative change needs; however transformational expert is the model for affiliations where dynamic change is a requirement for survival and organizations experience very high external pressure (Pradhan & Pradhan, 2015).

Liden et al. (2014) pose that servant leadership depicts more change in results of adherents than that foreseen by different styles of administration. All the recommendation seem to suggest that "Servant leadership is a one of a kind leadership theory that can broaden analysts' learning about authority procedures and outcomes" (Rachmawati & Lantu, 2014; Vlasov, & Kiseleva, 2017).

**Transformational Leadership**

Transformational leadership, dissimilar to 'transactional' leadership, animates development and information and produces favorable circumstances for organizational performance (Engelen et al., 2015). Transformational leaders have magnetism, motivation, scholarly incitement and individualized thought of co-ordinates (Breevaart et al., 2014; McCleskey, 2014). Such pioneers support great correspondence systems and a soul of trust, empowering transmission and sharing of information and generation of learning slack (Moriano, Molero, Topa, & Lévy Mangin, 2014; Wang et al., 2017). Given the vulnerability about the zones in which learning might be valuable, information slack builds the likelihood that new data looks like existing data and hence the likelihood of disguising data effectively (Tyssen, Wald, & Spieth, 2014). Firms absorb new information all the more effortlessly if their earlier learning or information slack is firmly identified with the new information (Choi & Yu, 2014). Absorptive limit depends fundamentally on earlier learning, i.e. the learning accessible in the association (Cullen, Edwards, Casper, & Gue, 2014). Information slack and its pioneer's view encourage the future misuse of learning to enhance fundamental abilities and absorptive limit in the association.

Transformational leadership additionally impacts absorptive limit. Authority empowers change of individual retention, outline of a hierarchical structure to fit the association's attributes, expanded interest in innovative work and extraordinary exertion to fortify authoritative absorptive limit (Cullen et al., 2014; Winston & Fields, 2015; Wahba, 2016). Transformational leadership goes up against reality by illustration on scholarly capital, know-how and learning.
It impacts adapting emphatically, making it difficult the current level to impact authoritative advancement and enhance execution (Banks, McCauley, Gardner, & Guler, 2016; Ghasabeh, Soosay, & Reaiche, 2015; Shatzer, Caldarella, Hallam, & Brown, 2014; Tse & Chiu, 2014). Transformational pioneers are the way to incorporating procedures to build a learning association. They are vital in making an atmosphere that fortifies the controls of hierarchical learning and their communication (Afsar, Badir, & Saeed, 2014; Banks et al., 2016; Wang et al., 2017). The pioneer's view of authoritative learning impacts his or her push to cultivate it and to defeat the interior wariness and outer troubles that forestall it (Kim, 2014).

**Organizational Performance**

Organizational performance can be estimated in terms of profit for resources, return on value, net development rate, and profit for deals and so on while proficiency and viability is additionally an estimating apparatus for organizational performance (Cameron, 2015). To check the effect of transformational and servant leadership on organizational performance, a near examination of both leadership styles in agreement to benefit for an organization is of essential significance. The primary point of any association is to maintain upper hand. There are different features on which execution of an association can be assessed, the majority of which are substantial. Decreasing the cost, benefits, sales volume, resource turnover, value turnover, and stock turnover are most basic substantial markers. On the other hand, some elusive execution pointers fulfilment of client and product advancement is utilized less occasionally (Ali, Seny Kan, & Sarstedt, 2016). Organization performance is a proportion of association’s advancement, demonstrates how well an association is accomplishing its objectives (Hooi & Ngui, 2014). Organization performance calls attention to the accomplishment in any gathering execution.

**Job Satisfaction**

Wicker (2011) defined job satisfaction as a feeling of pride and internal fulfilment accomplished when completing a specific job. In his book Hoppock (1935) suggested that as a theoretical variable, the job satisfaction is the idea which can be any number of mental, physiological, and natural circumstances which prompts to an individual to express satisfaction with their job. When people assess their work and work involvement that is when this positive mental state arises (Raziq & Maulabakhsh, 2015). Zopiatis, Constanti and Theocharous (2014) indicated that job satisfaction is the thing that individual feel about their activity or it is possible that they have likeness or aversion for their activity, likeness demonstrates the fulfilment or aversion demonstrates the disappointment of workers. Job fulfilment is influenced by various factors as uncovered in the literature. A “job satisfaction scale’ was developed by Spector (1997) to assess the dimension of fulfilment of workers with respect to their activity which includes different variables such as salary, supervision, benefits, job promotion, co-workers
and type of work. If the desired pay, promotion, benefits, type of work, supervision and co-workers are provided to employees then they will be increasingly satisfied and will likewise prefer to remain with the firm.

**Theoretical grounding of a conceptual framework**

![Diagram showing the relationship between Transformational Leadership, Organizational Performance, Servant Leadership, and Job Satisfaction.]

**Transformational Leadership and Organizational Performance**

Transformational leadership is important in helping going forward in associative learning (Engelen et al., 2015). It furnishes organization with a chance to learn through experimentation, exchange, and correspondence (Moriano et al., 2014). Transformational leaders increase work execution of employees (Wang et al., 2017). Though, transformational leadership style embraces individual based thought which is fundamental in organizational learning (Giniuniene & Jurksiene, 2015), transformational authority attracts scholarly thought to issues within reach. It advances learning and development in this way improving the general execution (Hu, 2014; Valmohammadi & Ahmadi, 2015). Organizations with profound learning cultures for the most part perform better (Real et al., 2014). Based on this, the first hypothesis can be formulated as:

**H1: Transformational leadership has a positive effect on organizational performance.**

**Transformational Leadership and Job satisfaction**

Job satisfaction has been contemplated in parallel with numerous features of work and in many working spots and fields internationally. Along with that, employees' understanding of job satisfaction has been examined as a result of leadership styles. When all is said and done, the results propose that in organizations which are adaptable and receive the participative management type, with accentuation in correspondence and workers' reward, the last are bound
to be fulfilled, bringing about the organization's prosperity (Belias & Koustelios, 2014). In addition, Bayram and Dinc (2015) held that transformational and "consideration" leadership characteristics, which are normal in western societies, are viewed as huge for employees' inspiration and in their execution. Such characteristics incorporate strengthening and clear vision, which have been connected with high job satisfaction and job commitment (Barnwell, 2015). Naeem and Khanzada (2017) found that unexpected reward as a triumph pointer among workers was significantly more profoundly associated with transformational than the other transactional styles. They also found that the central components of transformational leadership are all the more emphatically identified with long haul execution among workers, while individualized thought is decidedly related with short moment, however adversely related with, long haul execution. Fu and Deshpande (2014) discovered constructive outcomes of transformational leadership practices on job satisfaction among a wide scope of businesses, hierarchical settings and occupation levels, including banks.

Atmojo (2015) found that the use of a transformational leadership training program on managers brought about critical consequences for subordinates' impression of leaders' transformational authority, along with effecting the organizational commitment of subordinates towards their own organizations. A noteworthy connection between leader-member exchange, in the contrast of transformational leadership and job performance has been found by Hanse et al. (2016), along with fulfilment with supervision, in general fulfilment, job lucidity and part ability. Alghamdi, Topp and AlYami (2018) found that transformational leadership is decidedly related with job satisfaction, while it grants female workers at the same time to do gender roles with leadership. A positive relationship was found between transformational leadership and with both bank representatives' reliance and their strengthening by Belias and Koustelios (2014). They also said that individuals’ identification mediates the connection between transformational leadership and the dependence of employees on their leader, albeit the relationship between transformational leadership and follower’s empowerment is mediated by social ID. Saleem (2015) demonstrated that both the transactional and the transformational leadership style influence job satisfactions among workers, with the transformational leadership having an all the more statistically critical beneficial outcome (Kamarudin et al., 2019).

Saleem (2015) came to fascinating conclusions with regards to the examination of workers. More explicitly, the investigation affirmed that bank managers who have transformational leadership style, are probably going to help increase workers' job satisfaction and job execution, as revealed in self-evaluating items. The point at which the managers make use of charisma and use motivation, individualized thoughts and cognitive stimulation, they inspire positive responses from workers. Such transformational characteristics do invigorate a greater amount of followers’ need and result in sentiments of fulfilment. Those outcomes affirmed past initiative examinations, similar to the ones of (Breevaart et al., 2014; Fatula, 2018). As
indicated by the authors, general uplifting frame of mind toward work and working conditions are a reflection of the consideration that the managers provide for employees, which thus, results in an increase in job satisfaction and encourages execution. This leads to the formulation of the second hypothesis:

**H2: Transformational leadership has a positive effect on job satisfaction.**

**Servant Leadership and Organizational Performance**

Servant leadership enhances learning and development in employees. This also promotes learning in the organizations (Real et al., 2014). Learning condition is upgraded with the assistance of servant leadership (Newman, Schwarz, Cooper, & Sendjaya, 2017). At the point when a leader keeps in view the requirements of a representative and instructs them through preparation, workshops and courses, this expands the learning ability of an association and in this way there are increments in organizational knowledge. Organizational learning upgrades the abilities of the organization, in this way building the performance of the organization (Beck, 2014; Valmohammadi & Ahmadi, 2015; Wu & Chen, 2014). This leads to the third hypothesis: **H3: Servant leadership has a positive effect on organizational performance.**

**Servant Leadership and Job Satisfaction**

The increase in job satisfaction actually originates from empowerment theory which is used for the formulation of the underlying theoretical framework. For the past two decades the establishment of empowerment theory and a variety of employee outcomes have emerged (Liden et al., 2014; Top, Akdere, & Tarcan, 2015; Winston & Fields, 2015). The idea of empowerment has for the most part been alluded to as expanding inspiration for work through designating specialists as representatives (Burton et al., 2017; Donia et al., 2016; Harwiki, 2016). The delegation of authority has been viewed by both, the full scale point of view, concentrating on organizational structure, practices and policies (Chan & Mak, 2014), and the small scale viewpoint, which looks at empowerment as an intrinsic motivator (Liden et al., 2014). Despite the structure, increased job satisfaction amongst employees has been considered constantly in employee empowerment (Bande et al., 2016; Cooper, 2014; Liden et al., 2014; Sipe & Frick, 2015). We can refer back to Locke's (1976) definition to get a clear idea behind the theory of job satisfaction, that activity fulfilment is a connection to the activity made by an assessment of one's professional adventures (for example Hoch et al. (2018) and Sousa and van Dierendonck (2017). An internal rating is developed by employees themselves, through their very own arrangement of desires, qualities and standards, which they might compare with job conditions and job results based on their own biased impression of how they trust the activity ought to be (Flynn, W. Smither, & G. Walker, 2015).
At the point when occupation conditions and employment results match or surpass biased observations, job satisfaction happens (Fu & Deshpande, 2014; Platis, Reklitis, & Zimeras, 2015). An increasingly contemporary definition is utilized by Zopiatis et al. (2014) and Raziq and Maulabakhsh (2015), who express that job satisfaction as an inward expression: an intellectual assessment of the accomplished activity with a level of support or disgrace (Olkiewicz, 2018). Despite the definition, the most significant factor in organizational behavior field is examining employee attitudes such as job satisfaction since the 33 ways in which people process information, and the meanings and shapes drawn by them from their view of different events is effected by attitudes (Yang & Hwang, 2014; Sanchez, 2018). Further, job satisfaction still gives "a standout amongst the most valuable snippets of data an association can have about its representatives" (Kim, Im, & Hwang, 2015). Hence the variable of job satisfaction is a crucial research subject inside the organizational behavioral field (Vermeeren, Kuipers, & Steijn, 2014). The investigation of job satisfaction has been a zone of continuous interest for researchers because of its positive connection to work related practices, for example, execution and turnover expectations (Kashyap & Rangnekar, 2016), a consistent indicator of employment fulfilment among representatives.

There is a focal subject in the writing that representatives who can impact the choices of the association and are self-regulated will report higher job satisfaction than representatives who are not given these working conditions (Thompson, 2015). Further, employee job satisfaction is positively affected by the leader’s ethical behavior and the creation of a moral atmosphere as suggested by the research (Boehm et al., 2015). This atmosphere of morality is a result of the leader worrying for other people, being responsive to others' needs and exhibiting trustworthiness and moral direction (Harwiki, 2016), all of which are attributes shown by a servant leader (Sipe & Frick, 2015). A high level of job satisfaction has been shown by employees under such ethically-based leadership, with a higher pledge to the association (Rachmawati & Lantu, 2014; Sousa & van Dierendonck, 2017).

This has been ascribed to leaders who can enable their employees, which thus prompts larger amounts of employment fulfilment (Saleem, 2015), this employee empowerment by leaders states is enabled through the articulation of a common vision (Top et al., 2015). A forward thinking vision urges employees to accept newly open doors (Mahdi & Almsafir, 2014) and welcomes them to take an interest in organizational transformation. Employees who are all the more eager to cooperate and admonish large amounts of positive feelings have been shown to develop under leaders who demonstrate self-sacrificing leadership behaviors (Bande et al., 2016). Furthermore, the leaders who do not possess these behaviors are rated much less effective than the leaders who have the ability. (Cameron et al., 2014). This supplements recent research demonstrating that employees who feel that their leaders show concern for their prosperity will demonstrate more elevated amounts of job satisfaction (Beck, 2014; Beck, 2014;
Dierendonk & Sousa, 2016; Winston & Fields, 2015) and this leads the fourth and final hypothesis:

**H4: Servant leadership has a positive effect on job satisfaction.**

**Methodology**

**Research Methodology**

Quantitative method is used in this research and is applied here in view of its exact estimations, perceptions made by the objectives, statistical analysis and its capacity to confirm the realities. A questionnaire tool is used to collect essential information. This research has a conceptual framework through which theory is made and this theory is then tested by the respondents. As this is theory driven by hypotheses which guide data collection and analysis, so it falls into category of a deductive approach.

**Target population and Sample Size**

This study has been conducted using middle and low level managers of pharmaceutical companies in Thailand. Middle level managers include regional and plant managers and lower level managers include team leaders, assistant managers and shift managers. As there are many pharmaceutical industries in Thailand both on big and small scale, the research has been conducted on companies that have a larger number of employees. As it is impossible to get all information about the total number of middle and lower managers in the pharmaceutical industry, the sample size is calculated through Raosoft software by taking a population of 20,000, keeping a margin of error 5% and confidence interval of 95% the sample size is calculated as 377. A total of 400 questionnaires were distributed to gather the data in this project.

**Sampling technique**

Convenient sampling method has been used for data gathering purposes with an approach to evaluate the results using the available responses by the end of the prescribed time. This sampling technique is selected due to the time constraint of this study.

**Instrument and Scale**

The instrument used for this research is based on a construct which has a well-established reliability. A questionnaire is adopted from previous literature to build the instrument for this research. A Likert scale is used throughout this questionnaire. The summary of constructs used in this project is presented below:
S. No. | Construct | No. of items | Authors |
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Transformational leadership</td>
<td>5</td>
<td>Podsakoff, MacKenzie and Bommer (1996)</td>
</tr>
</tbody>
</table>

**Results**

**Reliability Analysis**

The consistency of the questionnaire is verified through the reliability analysis based on the Cronbach's Alpha. As shown in Table 1 below, for all the factors, the ratio is quite high i.e. > 0.7, such that the questions represent and define all the selected variables.

Table 1: shows reliability analysis of Transformational Leadership, Servant Leadership, Organizational Performance and Job Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s Alpha</th>
<th>Number of Items</th>
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<tbody>
<tr>
<td>Transformational Leadership</td>
<td>0.876</td>
<td>4</td>
</tr>
<tr>
<td>Servant Leadership</td>
<td>0.823</td>
<td>4</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>0.764</td>
<td>4</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>0.777</td>
<td>4</td>
</tr>
</tbody>
</table>

**Descriptive and Correlation Analysis**

Table 2 shows the means, standard deviations, and correlations for the study variables. For transformational leadership, M=3.86 shows that the target population has moderate transformational leadership with high servant leadership (M=4.07). The target population has moderate level of organizational performance (M=3.46) along with a moderate level (M=3.57) of job satisfaction.

All the four measured variables—TL, SL, OP and JS—are significantly and positively correlated to one another. Transformational leadership is strongly correlated to organizational performance and job satisfaction whereas servant leadership is moderately correlated to organizational performance and job satisfaction. Further confirmation is conducted through regression analyses.
Table 2: shows Descriptive Statistics and Correlations for the Study Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<tbody>
<tr>
<td>Transformational</td>
<td>3.86</td>
<td>0.87</td>
<td>---</td>
<td></td>
<td></td>
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<tr>
<td>Leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Servant Leadership</td>
<td>4.07</td>
<td>0.82</td>
<td>0.736**</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Organizational</td>
<td>3.46</td>
<td>0.75</td>
<td>0.568**</td>
<td>0.452**</td>
<td>---</td>
</tr>
<tr>
<td>Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>3.57</td>
<td>0.88</td>
<td>0.610**</td>
<td>0.473**</td>
<td>0.563**</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.01 level (2-tailed)

Regression Analysis between Transformational Leadership and Organizational Performance in managers of pharmaceutical companies

Table 3 shows the ANOVA table of Transformational Leadership and Organizational Performance in managers of pharmaceutical companies. The F value, F = 173.182 (N = 365), is greater than 3.5, which means that the results are significant. If the F value is greater than 3.5, then it shows that the results are significant. The model also significantly predicts the outcome variable i.e. Organizational Performance because p < 0.001.

Table 3: shows ANOVA Table of the regression analysis between Transformational Leadership and Organizational Performance in managers of pharmaceutical companies

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
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<td>1</td>
<td>Regression</td>
<td>66.875</td>
<td>1</td>
<td>66.875</td>
<td>173.182</td>
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<tr>
<td></td>
<td>Residual</td>
<td>140.174</td>
<td>363</td>
<td>0.386</td>
<td></td>
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<tr>
<td>2</td>
<td>Total</td>
<td>207.049</td>
<td>364</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a: Dependent Variable: Org. Per.
b: Predictors: (Constant), Trans. Leadership

Table 4 shows the coefficients table of the regression analysis of Transformational Leadership and Organizational Performance in managers of pharmaceutical companies. The value of constant, i.e. C = 1.561, shows that there is high degree of association between Transformational Leadership and Organizational Performance in managers of pharmaceutical companies. The coefficient (B=0.491) shows that for every 1 unit increase in transformational leadership, there will be an increase of 0.491 units in organizational performance. The t value, t = 13.160, is greater than 2.5 at the confidence interval of 95% shows that the results are significant.
**Table 4:** shows the coefficients of the regression analysis between Transformational Leadership and Organizational Performance in managers of pharmaceutical companies

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.561</td>
<td>0.148</td>
<td>10.551</td>
<td>.000</td>
</tr>
<tr>
<td>Trans. Leadership</td>
<td>0.491</td>
<td>0.037</td>
<td>0.568</td>
<td>13.160</td>
</tr>
</tbody>
</table>

*a.* Dependent Variable: Org. Per.

**Regression Analysis between Transformational Leadership and Job satisfaction in managers of pharmaceutical companies**

Table 5 shows the ANOVA table of Transformational Leadership and Job Satisfaction in managers of pharmaceutical companies. The F value, F = 215.625 (N = 365), is greater than 3.5, which means that the results are significant. The model also significantly predicts the outcome variable i.e. Job Satisfaction because p <0.001.

**Table 5:** shows ANOVA Table of the regression analysis between Transformational Leadership and Job Satisfaction in managers of pharmaceutical companies

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>106.700</td>
<td>1</td>
<td>106.700</td>
<td>215.625</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>179.626</td>
<td>363</td>
<td>0.495</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>286.326</td>
<td>364</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a:* Dependent Variable: Job.sat  
*b:* Predictors: (Constant), Trans. Leadership

Table 6 shows the coefficients table of the regression analysis of Transformational Leadership and Job Satisfaction in managers of pharmaceutical companies. The value of constant, i.e. C = 1.174, shows that there is high degree of association between Transformational Leadership and Job Satisfaction in managers of pharmaceutical companies. The coefficient (B=0.621) shows that for every 1 unit increase in transformational leadership, there will be an increase of 0.621 units in job satisfaction. The t value, t = 14.684, is greater than 2.5 at the confidence interval of 95% shows that the results are significant.
Table 6: shows the coefficients of the regression analysis between Transformational Leadership and Job satisfaction in managers of pharmaceutical companies.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.174</td>
<td>0.167</td>
<td>7.007</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Trans. Leadership</td>
<td>0.621</td>
<td>0.042</td>
<td>0.610</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Job.sat
b.

Regression Analysis between Servant Leadership and Organizational Performance in managers of pharmaceutical companies

Table 7 shows the ANOVA table of Servant Leadership and Organizational Performance in managers of pharmaceutical companies. The F value, F = 93.134 (N = 365), is greater than 3.5, which means that the results are significant. The model also significantly predicts the outcome variable i.e. Organizational Performance because p < 0.001.

Table 7: shows ANOVA Table of the regression analysis between Servant Leadership and Organizational Performance in managers of pharmaceutical companies.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>42.276</td>
<td>1</td>
<td>42.276</td>
<td>93.134</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>164.773</td>
<td>363</td>
<td>0.454</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>207.049</td>
<td>364</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a: Dependent Variable: Org. Per.
b: Predictors: (Constant), Ser. Leadership

Table 8 shows the coefficients table of the regression analysis of Servant Leadership and Organizational Performance in managers of pharmaceutical companies. The value of constant, i.e. C = 1.781, shows that there is high degree of association between Servant Leadership and Organizational Performance in managers of pharmaceutical companies. The coefficient (B=0.413) shows that for every 1 unit increase in servant leadership, there will be an increase of 0.413 units in organizational performance. The t value, t = 9.651, is greater than 2.5 at the confidence interval of 95% shows that the results are significant.
Table 8: shows the coefficients of the regression analysis between Servant Leadership and Organizational Performance in managers of pharmaceutical companies

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant) 1.781</td>
<td>0.178</td>
</tr>
<tr>
<td></td>
<td>Ser. Leadership 0.413</td>
<td>0.043</td>
</tr>
</tbody>
</table>


Regression Analysis between Servant Leadership and Job satisfaction in managers of pharmaceutical companies

Table 9 shows the ANOVA table of Servant Leadership and Job Satisfaction in managers of pharmaceutical companies. The F value, F = 104.356 (N = 365), is greater than 3.5, which means that the results are significant. The model also significantly predicts the outcome variable i.e. Job Satisfaction because p <0.001.

Table 9: shows ANOVA Table of the regression analysis between Servant Leadership and Job Satisfaction in managers of pharmaceutical companies

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression 63.934</td>
<td>1</td>
<td>63.934</td>
<td>104.356</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Residual 222.392</td>
<td>363</td>
<td>0.613</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total 286.326</td>
<td>364</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a: Dependent Variable: Job.sat
b: Predictors: (Constant), Ser. Leadership

Table 10 shows the coefficients table of the regression analysis of Servant Leadership and Job Satisfaction in managers of pharmaceutical companies. The value of constant, i.e. C = 1.508, shows that there is high degree of association between Servant Leadership and Job Satisfaction in managers of pharmaceutical companies. The coefficient (B=0.508) shows that for every 1 unit increase in servant leadership, there will be an increase of 0.508 units in job satisfaction. The t value, t = 10.215, is greater than 2.5 at the confidence interval of 95% shows that the results are significant.
Table 10: shows the coefficients of the regression analysis between Servant Leadership and Job Satisfaction in managers of pharmaceutical companies

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1  (Constant)</td>
<td>1.508 0.206</td>
<td></td>
<td></td>
<td>7.311</td>
</tr>
<tr>
<td>Ser. Leadership</td>
<td>0.508 0.500</td>
<td>0.473</td>
<td>10.215</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Job.sat

Discussion and Conclusion

The present study shows that both transformational and servant leadership positively affect organizational performance and job satisfaction. Transformational leadership increases the organizational performance by 49.1% whereas servant leadership increases the organizational performance by 41.3%. A change in the view of the followers towards their work is brought about by transformational leaders who append organizational or societal importance to it. An emotional connection between the organization and its employee is encouraged by this.

Another clarification of this relationship is that transformational pioneers show individual consideration towards the individual and developing their subordinates professionally and this prompts emotional connection with the firm and the leader. In the same manner, followers are inspired by transformational leaders to take a look at the bigger picture and urge them to go well beyond what would have been acceptable anyway and thus the subordinates demonstrate greater endeavour and show positive practices. Self-sacrifice practices carried out by transformational leaders in that they organize others' interests and the firms’ interests over their own trigger a comparable reaction in their adherents as well. Another conceivable reason can be that as TL is related with community, consequently subordinates submit to the general direction given by their leaders and act as needed by supporting, coordinating and helping other people at the work place (Pradhan & Pradhan, 2015).

On the basis of earlier research, the present study also investigated the connection between servant leadership and organizational performance. Demonstration of servant leadership occurs among subordinates because of the characteristics that involve servant leadership and the leader's support. Servant leaders are portrayed as having solid conceptual aptitudes and large amounts of honesty and worry about their adherents. These characteristics attract adherents, with the end goal that they copy their leaders' practices. Further, servant leaders effectively urge subordinates to demonstrate their conduct by stressing that they should likewise, put others' needs before their own (Liden et al., 2014). The present study demonstrates that utilizing
servant leadership is helpful for more prominent organizational profitability and expanded financial stability. It intends also that it be inferred that the expanded benefits happened as a net impact of servant leadership as intervened through improved occupation fulfilment, a decrease in representative turnover, and a more noteworthy focus on the client. Reciprocal client focus effect is prompted when a supervisor displays servant leadership aptitude (Mccann, Graves, & Cox, 2014).

The study outcome is that transformational leadership has a positive relationship with job satisfaction which implies that transformational leader through modelled motivation and conduct can instigate changes in mental condition of other individuals, through association (Saleem, 2015). According to the results of this study, transformational leadership increases job satisfaction by 62.1%. Transformational leadership has resulted in a few powerful procedures, among which the impact of transformational leadership towards job satisfaction is significant. Transformational leadership is an initiative that is concerned with the self-development needs of individuals, and further, transformational leadership also stimulates and inspires subordinates to achieve more in accomplishing their work objectives (Atmojo, 2015).

This new point of view supplements transformational leadership studies by expanding on the theories of inborn inspiration and occupation traits and furthermore adds to the literature about the significance of how supporters imagine themselves as individuals with peculiar needs and as eager member of a group, whose commitments line up with the interests of the group, in processes of transformation (Tse & Chiu, 2014). Based on the outcomes of the present study, it is prescribed that organizations should know the significant advantages and flaws of various styles of leadership, as these influence the impression of organizational issues which thus can influence job satisfaction. Firms have to think about the abilities of representatives and to disentangle the capability of their employees through rehearsing more transformational leadership conduct and providing more motivating conditions that will prompt employee job satisfaction (Saleem, 2015).

The present study also studied the effect of servant leadership on job satisfaction. The outcome of the analysis of this study shows that servant leadership increases job satisfaction by 50.8%. According to Alonderiene and Majauskaite (2016) job satisfaction is highly affected by servant leadership in a positive relationship, where the servant leadership style is perceived by the leader to exhibit no enthusiasm to obtain control and where the leaders is essentially worried about the welfare of the subordinates. It is important to take note that there have been very few studies conducted on servant leadership and job satisfaction in the context of the pharmaceutical industry. The result of this study mirrors the outcome of past research that discovered servant leadership had direct positive association with workers' job satisfaction and trust in their leader. Similarly, satisfaction and retention of employees is also affected by servant leadership (Shaw & Newton, 2014).
Implications

This study summarises practical implications for organizations in comprehension of the need to offer legitimate motivation to workers that retains focus on the association and encourages a working climate where endeavours beyond defined role description are embarked upon. This motivation can be a direct result of the immediate manager if they have a solid, transforming leadership personality. Associations need to comprehend that leadership assumes an imperative job in building up a committed workforce that contributes towards the growth and development of the organization. For the pharmaceutical industry, a dynamic and visionary leadership can give them motivation to remain focused on articulated purpose and furthermore can facilitate accomplishment of work obligations to the highest degree.

Limitations

This study also had some limitations. In the first place, since this investigation was an authoritative level examination, the number of managers picked to take part in this research was a limitation. Another limitation is that responses were only collected from the managers, reflecting only a single component source. Albeit sufficient measures have been taken to eliminate single-source predisposition yet future studies can guarantee a strong and dependable research configuration by picking numerous sources for the responses. Future studies can be carried out by presenting different factors like organizational learning. Moreover, this research has not contemplated the limiting conditions influencing the accompanying relationship. In future, it would be advisable to perceive how certain arbitrators influence the connection between the identified factors and mediators could be introduced in the relationship inquiry.
REFERENCES


