

Transformational Leadership and Leadership Substitutes in Sports: Implications on Coaches' Job Satisfaction

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Abstract

Using Kerr and Jermier's (1978) leadership substitutes theory as framework, this study examined the extent to which situational variables moderate the relationship between transformational leadership behaviours and coaches' job satisfaction at NCAA Division III institutions. Data for this study were collected from a national sample of 308 coaches from NCAA Division III institutions. The Transformational Leadership Behaviour Inventory developed by Podsakoff, MacKenzie, Moorman, and Fetter (1990) was used to measure coaches' perception of the transformational leadership behaviours of their athletic directors. Coaches' perception regarding the existence of situational variables was measured by using the Substitutes for Leadership Questionnaire developed by Kerr and Jermier (1978). The job satisfaction of coaches was measured by using the Minnesota Satisfaction Questionnaire (Weiss, Dawis, England & Lofquist, 1967). Data were analysed using descriptive statistics and logistic regression. The results suggest that there is a significant relationship between transformational leadership behaviours of athletic directors and coaches' job satisfaction at NCAA Division III institutions. It was discovered that situational variables such as coaching ability, organisational formalization, and group cohesion were significantly related with coaches' job satisfaction. Professional orientation was discovered to be a leadership neutralizer, while group cohesion to be a substitute of transformational leadership behaviours. It was concluded that transformational leadership behaviours of athletic directors have a direct relationship with coaches' job satisfaction in the absence of a strong leadership substitute or neutralizer. However, in the presence of leadership substitute and neutralizer, transformational leadership behaviours influence coaches' job satisfaction indirectly, through the moderating effects of the substitute and neutralizer.

The Relationship between Transformational Leadership Behaviours of Athletic Directors and Leadership Substitute Variables with Coaches' Job Satisfaction

Leadership has often been viewed as an exchange process in which a leader provides rewards to subordinates in the form of pay or prestige in exchange for work done by subordinates. Burns (1978) labeled this type of leadership behaviours as transactional leadership. According to Burns (1978), transactional leaders motivate subordinates by providing rewards, which appeal to the subordinates' self-interest. Burns (1978) argued that the relationship between leader and subordinates which is based on self-interest is not permanent because this type of relationship is limited to the temporary effects of

the exchange transaction and the “leader and followers are not united together in a mutual and continuing pursuit of a higher purpose” (Burns, 1978, p.20). In contrast, Burns (1978) proposed a new leadership paradigm in which the leader goes beyond satisfying the basic needs of subordinates, in terms of Maslow’s (1954) hierarchy of needs, by inspiring and empowering subordinates to a higher level of motivation (such as the need for self-actualization). Labeled as transforming or transformational leadership, this type of leadership focuses on the identification of leadership behaviours that influence the values and aspirations of subordinates, activate the subordinates’ higher order needs, and arouse them to transcend their own self interest for the sake of their organization.

Based on the studies conducted by Bass (1985), Yammarino & Bass (1990), Yukl (1994) and others, it was discovered that transformational leaders engage in the following behaviours : articulate a vision of the future of the organization, provide a model of behaviour which is consistent with that vision, foster the acceptance of group goals, and provide individualized support. By engaging in the behaviours mentioned, Bass (1985) pointed out that the transformational leaders change the basic values, beliefs, and attitudes of followers with the end result of inspiring subordinates to achieve higher goals and to perform work beyond the minimum levels specified by the organization. Research conducted on the transformational leadership model by several authors such as Podsakoff, MacKenzie & Bommer (1996), Avolio & Bass (1988), Bass, Avolio & Goodheim (1987), Howell & Frost (1989) and Seltzer & Bass (1990) showed that transformational leadership behaviours were positively related with higher performance, greater organizational commitment and higher job satisfaction among employees of business and industrial organizations.

Despite the promising results obtained with studies conducted with the transformational leadership theory in business settings, there is a lack of research done on this theory in non-business settings. The few studies conducted in sport by authors such as Pruijn & Boucher (1995), Wallace & Weese (1995), and Doherty & Danylchuk (1996) have obtained conflicting results and showed little support of the relationship between transformational leadership behaviours and subordinates’ outcome variables such as job satisfaction, organizational commitment or performance. Wallace and Weese (1995) found that campus recreation directors who were described as high transformational leaders were discovered to lead programs with stronger organizational cultures than recreation directors rated as low transformational leaders. In another study, Doherty and Danylchuk (1996) examined the relationship between coaches’ job satisfaction with the leadership behaviours of athletic directors at several Ontario universities and discovered that coaches’ job satisfaction, perceived leadership effectiveness and extra effort were positively related with transformational leadership behaviours of athletic directors.

The two studies mentioned above were the only research that showed some support for the transformational leadership theory in sport settings. On the less supportive side, Langley and Weese (1995) reported no significant difference in terms of employee job satisfaction between organizations led by low transformational leaders with organizations led by high transformational leaders. In addition, Pruijn and Boucher (1995) study of Dutch sport organizations showed no significant relationship between transformational leadership behaviours with organizational effectiveness. In another study, Bourner and Weese (1995) found evidence of transformational leadership behaviours among leaders of Canadian Hockey League organizations. However, the authors reported no significant relationship between transformational leadership behaviours and organizational effectiveness.

One possibility for the limited support and the conflicting results in sport settings may be due to the unique nature of the sporting environment. Specifically, the characteristics of leaders and subordinates in sport, as well as the characteristics of sport organizations may be different from business or industry. Within the context of Kerr and Jermier's (1978) substitutes for leadership theory, there is reason to suspect that certain situational variables which may exist in sport settings, may act as moderators of the relationships between transformational leadership behaviours and subordinate criterion variables. Specifically, these situational variables may act as substitutes for transformational

leadership, to the extent that transformational leadership behaviours may be irrelevant to subordinate outcomes.

In contrast to the transformational leadership model which assumes that it is the leader's behaviour that influences the subordinate, the substitutes for leadership theory rejects the idea that a leader's behaviour is always important to subordinate outcomes (Kerr and Jermier, 1978). According to this theory, leadership may come from sources other than the leader, and these sources may weaken the influence of formal leadership behaviour from affecting employee attitudes and/or behaviour. These sources, or situational variables, were labeled by Kerr and Jermier (1978) as "leadership substitutes" since they replace or "act in place of" a specific leader behaviour. According to the leadership substitute theory, leadership behaviour is effective only when the substitute is absent. However, when a substitute is present, the substitute will render leadership behaviour irrelevant to subordinates' job satisfaction. Additionally, Kerr and Jermier (1978) suggest potential leadership substitutes to include the characteristics of the subordinates, task and organization.

The substitute for leadership theory differentiates between three kinds of situational variables : substitutes, neutralizers and enhancers. Substitutes and neutralizers are situational variables which moderate and result in a weaker relationship between leader behaviour and subordinates' attitudes and behaviour. According to Kerr and Jermier (1978), neutralizers are uncorrelated with both the predictor (leadership behaviour) and criterion variables (subordinate outcomes). On the other hand, Kerr and Jermier (1978) suggest that substitutes are correlated with both the predictor (leadership behaviour) and the criterion variables (subordinate outcomes). The authors emphasized that it is the substitutes, and not the neutralizers, that "act in place of" a specific leader behaviour. In addition to substitutes and neutralizers, Howell, Dorfman, and Kerr (1986) suggest that some characteristic of the subordinate, task, and organization may also serve to enhance the relationships between leadership behaviours and substitute criterion variables. According to the authors, enhancers are situational variables that represent a positive moderating influence, where the presence of the enhancer will result in a stronger relationship between leader behaviour with subordinates' criterion variables.

The possibility that certain situational variables in sport settings may act as moderators of the relationship between transformational leader behaviour and subordinate criterion variables raises an interesting issue. Perhaps, there is only an indirect relationship between transformational leader behaviours and subordinate attitudinal outcomes in sport settings. Clearly, this possibility is in contrast with the results of transformational leadership studies obtained in business settings, which strongly suggest that transformational leadership behaviours have a direct relationship with subordinates' outcomes. The issue as to whether transformational leadership behaviours have a direct or indirect relationship with important subordinate outcomes such as job satisfaction certainly warrants further investigation of the transformational leadership model. One way of addressing this issue is by applying the leadership substitute theory to the transformational leadership model. Specifically, there is a need to examine the extent to which situational variables moderate the relationship between transformational leadership behaviours with subordinates' job satisfaction. Thus, the purpose of this study is to address the following question : Do transformational leadership behaviours have a direct or indirect relationship with subordinates' job satisfaction in sport settings? Specifically, the purpose of this study is to examine the possible relationship between transformational leadership behaviours of athletic directors, and the job satisfaction of coaches at NCAA Division III institutions. Using Kerr and Jermier's (1978) substitute for leadership theory as the framework, this study also investigated whether situational variables have a direct relationship with coaches' job satisfaction. In addition, this study examined the indirect relationship between transformational leadership behaviours and the dependent variable by examining the extent to which the relationship between transformational leadership behaviours and subordinates' job satisfaction is moderated by the situational variables.

Hypotheses

The following hypotheses were developed for this study and tested at the 0.05 level of significance:

- H1:** There is no significant relationship between transformational leadership behaviour of athletic directors and coaches' job satisfaction at NCAA Division III institutions.
- H2:** There is no significant relationship between situational variables (characteristics of the subordinates, the task, and the organization) and coaches' job satisfaction at NCAA Division III institutions.
- H3:** There is no significant relationship between transformational leadership behaviour and leadership substitutes interaction terms with coaches' job satisfaction at NCAA Division III institutions.

Methods and Procedures

Data Collection

Data for this study were collected quantitatively through the use of survey instruments designed to measure the following : (1) coaches' perception of the transformational leadership behaviours of their athletic directors, (2) coaches' perception regarding the existence of the situational variables in their present job experiences, and (3) coaches' perception of their job satisfaction. This study used coaches' evaluation of transformational leadership behaviours of athletic directors because self-evaluation of leadership behaviours by leaders in the organization has been shown to be inflated (Bass & Avolio, 1990 ; Bournier & Weese, 1995). Subjects were selected by using two procedures. First, a stratified random sample of 90 NCAA Division III institutions were selected based on the National Directory of College Athletics. This directory contains the list of all NCAA member institutions, as well as the names of all head coaches and assistant coaches at these institutions. Once the institutions were identified, a simple random sample of 10 coaches from the following sports were selected from each institution : (1) men's soccer, (2) women's soccer, (3) field hockey, (4) ice hockey, (5) men's volleyball, (6) women's volleyball, (7) men's baseball, and (8) women's softball.

On the basis of the selection procedures mentioned above, a total of 900 subjects (stratified according to 450 male and 450 female coaches) were randomly selected for this study. Each subject was sent a packet containing a letter of introduction describing the study, directions for completing the survey, the survey instruments, and a postage-paid return envelope for returning the survey directly to this researcher. Out of the 900 that were mailed the surveys, a total of 320 subjects responded to the survey. The response rate for the entire sample was 35.5%. From this sample size, a total of 12 subjects had more than 10% missing or incomplete answers. These subjects were excluded from the sample. The criteria for rejecting incomplete surveys was based on the subjective judgement of this researcher. Specifically, since the questionnaire for this study contains more than 100 question items, it was decided that coaches who could not answer more than ten questions (or 10% of the questions) could not evaluate accurately the leadership style of their athletic directors or about the presence of potential leadership substitutes in their work situations. Thus, these subjects were excluded from the sample leaving a final sample size of 308 subjects (34.2%). Of the 308 subjects, 165 were males (53.6%) while 143 were females (46.4%). The age range of the sample was 22-69 years old with a mean age of 36.08 years. A total of 186 subjects (60.4%) reported having teaching responsibilities while 152 subjects (49.4%) reported performing administrative duties in addition to coaching. The majority of the subjects (n=215, 69.8%) were full time coaches while 284 (92.2%) subjects were head coaches.

Instrumentation

The questionnaire used in this study is divided into four sections. The first section consists of the Transformational Leadership Behaviour Inventory developed by Podsakoff, MacKenzie, Moorman, & Fetter (1990). This instrument was used to measure the coaches' perception of the transformational leadership behaviours of their athletic directors. This instrument consists of 22 items and has a reported

internal-consistency that ranges from 0.78 to 0.92 (Podsakoff, MacKenzie, Moorman, & Fetter, 1990). In the second section of the questionnaire, the substitutes for leadership questionnaire developed by Kerr and Jermier (1978) was used to measure coaches' perception regarding the existence of eight situational variables in their present coaching experiences. The eight situational variables are : (1) subordinates' ability, experience, training and knowledge, (2) professional orientation, (3) organizational formalization, (4) organizational inflexibility, (5) active advisory staff functions, (6) closely knit work groups, (7) rewards outside leader's control, and (8) spatial distance between superior and subordinates. The subscale reliabilities of the instrument range from 0.74 to 0.85 (Kerr & Jermier, 1978).

The third section of the questionnaire measures the subjects' job satisfaction. This section consists of the 20-item short form of the Minnesota Satisfaction Questionnaire developed by Weiss, Dawis, England, & Lofquist (1967). The MSQ measures three dimensions of employee job satisfaction : (1) intrinsic, (2) extrinsic, and (3) general satisfaction. The authors reported the internal consistency of the short-form MSQ to vary from 0.84 to 0.91 (intrinsic satisfaction), 0.77 to 0.82 (extrinsic satisfaction) and 0.87 to 0.92 (general satisfaction). In the final section of the questionnaire, the subjects in this study were also asked to respond to question items pertaining to demographic information such as age, gender, gender of athlete, type of sport, number of years coaching experience, length of time they had been under the supervision of their present athletic director, coaching status, employment status, win/loss record, teaching and administrative duties, and athletic division.

Results and Analysis

All three hypotheses were tested by using three different sets of sequential logistic regressions. For hypothesis 1, the focus of the sequential logistic regressions was to examine the direct relationship between transformational leadership behaviour with the dependent variable job satisfaction, while controlling for the leadership substitutes variables. Before moving on to the specific aspects of the data analyses, there is a need to clarify why sequential logistic regressions (and not standard logistic regressions) were the statistical method of choice. Sequential logistic regressions were used to address the following statistical question - does the addition of a predictor variable under investigation (when entered in the second model) reliably improves the prediction of the dependent variable? Entering all the variables together in a single analysis (as in direct or standard logistic regression) will not allow one to examine the importance of a predictor variable with respect to the predictability of the criterion. Tabachnick and Fidell (1996) note that standard logistic regression " has the usual difficulties with interpretation when predictors are correlated. A predictor that is highly correlated with the outcome by itself may show little predictive capability in the presence of the other predictors"(p.591). It is clear from this quotation that in standard logistic regression, it will be very easy for a variable which may be highly correlated with the criterion to be thrown out of the equation by another predictor or group of predictors. Thus, it was concluded that standard logistic regression will not allow the examination of the relative importance of a predictor variable. In this study, in order to address hypotheses 1, 2 & 3, the order of entry of the predictor variable under investigation must be specified by the researcher (as in sequential logistic regression) based on the theoretical framework provided by the leadership substitutes theory. Specifically, the variable under investigation will always be entered in the second model to determine whether the predictability of the criterion can be improved by adding the variable in the second model. This method of examining the specific moderating effects of a variable is based on the work of Cohen and Cohen (1975), Arnold (1982) and Stone (1988), and was consistent with those used by authors such as Howell, Bowen, Dorfman, Kerr & Podsakoff (1990), Howell & Dorfman (1981) and Howell, Dorfman, & Kerr (1986) to test the leadership substitutes theory.

For the logistic regression analyses, the dependent variable job satisfaction was dichotomized based on the median scores on this variable. Specifically, scores above the median (74.0) were classified as high job satisfaction while scores below the median were classified as low job satisfaction. The predictor variable in this analysis was transformational leadership behaviour of athletic directors

obtained by adding the scores on all the 6 dimensions of the TLI. The eight situational variables served as covariates and were forced to enter the logistic regression model first. In the second model, in addition to the covariates (leadership substitutes variables), the transformational leadership behaviour variable was added to the logistic regression model. Comparison was made between the first model (covariate-only model) with the second model (full model). The purpose of the comparison was to determine whether adding the transformational leadership variable reliably improves the prediction of the dependent variable and whether there was a significant relationship between transformational leadership behaviour and the dependent variable.

Table 1 shows the results for the full model after the addition of the transformational leadership variable. An examination of this table shows that Model Chi-Square was significant ($p < 0.01$), indicating a significant improvement in the prediction of the dependent variable from the previous model (covariate-only model). Transformational leadership was significant ($p < 0.01$) with a positive logistic regression coefficient. The findings suggest that adding the transformational leadership variable in the full-model reliably improves the prediction of the dependent variable job satisfaction. In other words, there was a significant relationship between the variable under investigation (transformational leadership behaviour) with the dependent variable (coaches' job satisfaction). Hypothesis 1 was rejected on the basis of the findings presented above. It was concluded that there was a significant relationship between transformational leadership behaviours of athletic directors with coaches' job satisfaction at and II institutions.

Table 1: Sequential Logistic Regression Analysis - Transformational Leadership (Full-Model)

Variable Added to the Full Model	Coefficient (B)	Significance
Transformational Leadership	0.034	0.01
-2 Log Likelihood	354.01	
Goodness of Fit	294.28	
Model Chi-Square	15.95	$p < 0.01$
Improvement	15.95	$p < 0.01$
Classification Rate : Low Satisfaction 61.15%		High Satisfaction 75.00%

Since the possible influence of other situational variables had been controlled (by treating them as covariates), it can be concluded that, in the absence of the situational variables, transformational leadership behaviours of athletic directors have a direct relationship with job satisfaction of coaches. The logistic regression coefficient suggests a positive relationship between transformational leadership behaviour with job satisfaction. The direction of the relationship suggests that coaches who evaluated their athletic directors as highly transformational were more likely to be satisfied with their jobs than their counterparts who evaluated their superiors as low in transformational leadership behaviours. Specifically, the more the athletic directors were perceived as engaging in transformational leadership behaviours, the higher the job satisfaction of the coaches. Certainly, the results of this analysis were consistent with the proposition of the transformational leadership model which states that transformational leadership behaviours enhance the job satisfaction of subordinates (Podsakoff, MacKenzie, Moorman, & Fetter, 1990).

A second set of sequential logistic regression analyses were performed to answer the second hypothesis formulated for this study. The focus of the analyses was to examine the direct relationship between each of the situational variables with the dependent variable while controlling for the other situational and transformational leadership behaviour variables. A total of 8 sets of analyses were conducted, one for each situational variable. Each set of analyses involved comparing two logistic models. Specifically, the first model consisted of the 7 other situational variables and the transformational leadership behaviour variable, was compared with a second model consisted of all the covariates (as in the first model) plus one of the situational variable under investigation. By comparing the two models, it can be determined whether adding each of the situational variables in the full model reliably improves the prediction of the dependent variable. From the analyses, one was able to examine

the relative importance of a predictor variable with respect to the predictability of the criterion. Specifically, it can be determined whether each of the situational variables has a significant relationship with the dependent variable, job satisfaction. Based on the results of the sequential logistic regressions, the second hypothesis was rejected with regard to the situational variables subordinates' ability, organizational formalization, and cohesive work groups (Table 2).

Table 2: Results of Sequential Logistic Regressions (Full-Model)

Variables	Coefficient (B)	Significance
Subordinates' ability	0.17	0.01*
Advisory and staff functions	0.08	0.21
Formalization	0.08	0.01
Inflexibility	-0.09	0.19
Professional orientation	-0.03	-0.03
Spatial Distance	0.04	0.36
Organizational Rewards	0.01	0.58
Close Knit Work Groups	0.07	0.02*

* significance $p < 0.05$

The results indicate that the situational variables subordinates' ability, organizational formalization, and cohesive work groups, were discovered to be directly related with coaches' job satisfaction. It can be interpreted that coaches in Division III institutions who perceive themselves as having high ability, work in highly formalized organizations, and work in a cohesive group, are more likely to be satisfied in their jobs than coaches who has lower ability, work in less formalized environment and who work in a less cohesive groups.

A third set of sequential logistic regression analyses were conducted to answer the third hypothesis formulated for this study. The focus of the analyses was to examine the indirect relationship between transformational leadership behaviour and job satisfaction by examining how each of the situational variables moderates the relationship between transformational leadership behaviour and the dependent variable, job satisfaction. The predictor variables in this set of analyses was an interaction term between transformational leadership behaviour and each of the 8 situational variables. A total of 8 interaction terms were generated. The dependent variable was coaches' job satisfaction. The analyses involved 8 separate sequential logistic regressions (one for each interaction term). Each of the 8 analyses was conducted by comparing two logistic models. The first model consisting of a situational variable and the transformational leadership behaviour variable, was compared with a second model consisting of the interaction term (the product of the leader behaviour and the situational variable) plus the variables as in the first model. By comparing the two models, it was possible to determine whether adding the interaction term reliably improves the prediction of the dependent variable. A significant improvement indicates that the situational variable is a moderator of the relationship between the transformational leadership behaviour with the dependent variable, job satisfaction. By examining the extent to which the transformational leadership-job satisfaction relationship is moderated by the situational variables, it was possible to determine the indirect relationship between transformational leadership behaviour and coaches' job satisfaction. Table 3 reports the logistic regression coefficients of the interaction terms between transformational leadership with each of the eight situational variables after the addition of the interaction term in the second model. The interaction terms for work groups and professional orientation were discovered to be significant ($p < 0.05$). The result indicates that the two situational variables are moderators of the relationship between the transformational leadership behaviour with the dependent variable, job satisfaction.

Table 3: Logistic regression coefficients for the interaction terms

Variable	Coefficient (B)	Significance
<u>Situational Variables</u>		
Subordinates' ability	0.01	0.77
Organizational inflexibility	-0.01	0.90
Organizational formalization	0.01	0.14
Advisory functions	-0.01	0.78
Professional orientation	-0.01	0.02*
Spatial distance	-0.01	0.32
Rewards outside leader's control	-0.01	0.16
Cohesive Work groups	-0.01	0.01*

* Significance $p < 0.05$

Based on Kerr and Jermier's (1978) statistical criteria, professional orientation qualifies as a neutralizer. To qualify as a neutralizer, Kerr and Jermier (1978) specified the following criteria : (1) the leader behaviour has a significant relationship with the criterion, (2) the situational variable has no significant relationship with the criterion and (3) the interaction term is significant but with a different sign to the leader behaviour's main effect. In this study, there was a significant relationship between transformational leadership behaviours with job satisfaction (see the results obtained for the first logistic regression analyses). It is also important to note that the a positive coefficient was obtained for this relationship. Second, there was no significant relationship between professional orientation with coaches job satisfaction (second logistic regression analyses). Third, the interaction term for professional orientation was significant with a negative coefficient. Please note that the sign of the interaction term coefficient is different from those obtained for the leadership behaviour. Kerr and Jermier (1978) defined neutralizer as a type of situational variable which neutralizes the leader behaviour-subordinate outcome relationship but the situational variable itself has no relationship with the criterion. The existence of a neutralizer renders transformational leadership ineffective in increasing subordinates' job satisfaction. In this study, even though athletic directors may be engaging in high levels of transformational leadership behaviours, the presence of a neutralizer in the form of professional orientation, negates the impact of transformational leadership behaviours on job satisfaction of coaches in NCAA Division III institutions. This findings suggest that coaches who have a professional orientation depend on guidance and direction from other coaches, instead of relying on athletic directors for guidance. In addition, because of a professional orientation, these coaches are intrinsically motivated to perform high quality work and these coaches do not need the athletic directors' approval or motivation to motivate them. Thus, even though the athletic directors may be engaging in transformational leadership behaviours, the characteristic of the coaches (professional orientation) may neutralize the effect of transformational leadership behaviours on coaches' job satisfaction. In this case, the job satisfaction of coaches may decline since coaches may view the leadership behaviours of the athletic director as redundant and unnecessary.

With respect to substitutes, Kerr and Jermier (1978) note that substitutes differ from neutralizers in the sense it is the substitutes, and not the neutralizers, that replace a specific leader behaviour. To differentiate between substitutes and neutralizers. Kerr and Jermier (1978) suggest examining the relationship between the situational variables with the predictor (leadership behaviour) and criterion variable (subordinate outcomes). In statistical terms, leadership substitutes can be defined as situational variables which weaken the leader behaviour-subordinate outcomes relationship and the situational variable by itself has a significant relationship with the criterion. In order to be identified as a substitute, a situational variable must meet the following statistical criteria : (1) both the leader behaviour and the situational variables must have a significant relationship with the dependent variable and with the same signs, and (2) the interaction terms must be significant with a different sign.

On the basis of the statistical criteria mentioned, the situational variable closely knit work groups, qualifies as a leadership substitute in this study. This conclusion was based on the results of the three logistic regressions earlier. Specifically, in the first analyses, it was discovered that there was a

significant relationship between transformational leadership behaviours with coaches' job satisfaction. Recall that the logistic regression coefficient was positive. In the second logistic regressions, it was discovered that the relationship between closely knit work groups with job satisfaction was significant. Finally, in the third logistic regressions, the interaction term for this variable was significant with a negative logistic regression coefficient. Kerr and Jermier (1978) suggest that subordinates obtain advice and support from each other, and not from the leader, in a highly cohesive work group. According to the authors, in a highly cohesive work group, leadership is viewed as redundant and unnecessary. Consistent with Kerr and Jermier's (1978) proposition, the present findings show that closely knit work groups act as leadership substitutes in NCAA Division III institutions. As a substitute, closely knit work group weakens the athletic director's ability to influence coaches' job satisfaction. However, unlike a neutralizer, a leadership substitute replaces the impact of leadership behaviour on subordinates' job satisfaction. Specifically, the presence of a substitute results in increasing subordinates' job satisfaction, instead of lowering job satisfaction as in the case of a neutralizer. Within the context of NCAA Division III institutions, as a result of highly cohesive work groups, coaches obtain support and advice from other coaches, instead of relying on the athletic director for support. Even though coaches may view the leadership behaviours of athletic director as redundant and unnecessary, the coaches' job satisfaction remain high because the existence of a highly cohesive work groups by itself results in increasing coaches' job satisfaction.

Discussion and Conclusions

It can be concluded from the results of this study that transformational leadership behaviours of athletic directors have a direct relationship with coaches' job satisfaction in the absence of the situational variables. This finding demonstrates that transformational leadership is effective not only in business organizations, but also in intercollegiate athletic settings. Specifically, the results support the proposition that transformational leadership behaviour increases subordinates' job satisfaction. As previously mentioned, Bass (1985) pointed out that a transformational leader conveys high expectations in terms of the ability of the subordinates to achieve the goals of the organization. By engaging in transformational leadership behaviours, Bass (1985) asserted that subordinates' self-confidence and job satisfaction are positively affected, to the extent that subordinates are willing to perform beyond what is originally expected out of them. On the basis of Bass's (1985) assertion, it can be argued that by increasing coaches' job satisfaction, transformational athletic directors are able to motivate coaches to perform work beyond the minimum levels expected out of them. Certainly, this ability to motivate subordinates to do more work with less resources is important in intercollegiate athletics, in view of the rising costs and declining revenues facing most athletic programs today.

With respect to organizational formalization, the result of this study suggests rules and regulations as being relevant to the job satisfaction of NCAA Division III coaches. The positive direction of the relationship between organizational formalization and job satisfaction suggests that coaches who perceive their organizations as being highly formalized, are more likely to be satisfied with their jobs. This suggests that coaches in Division III institutions perceive having clear written goals, objectives, guidelines, and procedures as something positive. It could well be that the existence of clear written goals reduces the role ambiguity and provides direction for coaches in Division III to perform their tasks in a manner which increases the coaches' perception that the job is meaningful. This finding is consistent with Hackman's (1994) proposition that the higher a person's perception that a job is meaningful, the higher the person's job satisfaction.

Two situational variables were discovered to be significant moderators of the transformational leadership-job satisfaction relationship. Specifically, professional orientation was discovered to be a neutralizer, while cohesive work groups was found to be a substitute of transformational leadership behaviours in NCAA Division III institutions. These findings were consistent with Kerr and Jermier's (1978) proposition that certain characteristics of coaches (professional orientation) and organization (cohesive work groups), moderate the relationship between formal leadership behaviours with

subordinates' job satisfaction. It can be concluded that transformational leadership behaviours have a direct relationship with job satisfaction in the absence of a substitute or a neutralizer. However, in the presence of leadership substitute and neutralizer, transformational leadership behaviours influence subordinates' job satisfaction indirectly, through the moderating effects of the substitute and neutralizer.

This study has several important implications for sport administrators. The findings of this study suggest that sport administrators should display transformational characteristics toward their subordinates, because by engaging in transformational leadership, transformational leaders were discovered to make a significant difference on subordinates' job satisfaction. Since job satisfaction has been shown to be positively related with high subordinates' performance, low job turnover, low absenteeism, and higher productivity, athletic directors who are transformational will make a significant difference in terms of the organization's performance and effectiveness. Yammarino and Bass (1988) pointed out that transformational leadership is a skill that can be learned. This view has been supported by Howell and Frost (1988) and Bass and Avolio (1989) who reported the effectiveness of leadership programs aimed at training people to be transformational leaders. One implication from the research finding is that transformational leaders can be created in sport settings by training athletic directors, administrators, and coaches to be more transformational. On a related issue, it has been pointed out that transformational leadership "converts followers into leaders and may convert leaders into moral agents" (Burns, 1978, p.3). Burns (1978) notes that subordinates can be turned into leaders if the subordinates are encouraged to engage in transformational behaviours. Bass, Waldman, Avolio and Bebb (1987) suggest that transformational leadership can have the same effect as falling dominoes. Specifically, the authors noted that transformational leadership of upper level managers can have an effect on the lower level managers. Apart from training upper level managers to be transformational leaders, another implication from the suggestion mentioned above is that sport organizations can create more transformational leaders by encouraging subordinates to exhibit transformational behaviours. One way of encouraging subordinates is by rewarding and promoting people on the basis of them exhibiting transformational characteristics. Another related implication concerns hiring procedures. Specifically, sport organizations should screen candidates for administrative positions on the basis of their potential to be transformational leaders.

This study provides important information about which situational variable is directly related with coaches' job satisfaction. Specifically, several characteristics of the organization (organizational formalization, rewards and cohesive work groups) and one characteristic of the subordinates (subordinates' ability) were discovered to be related with coaches' job satisfaction. The results demonstrate that coaches are satisfied with their jobs not only because of the transformational leadership behaviours of their athletic directors, but also because of the existence of the situational variables. Thus, sport organizations need to ensure that these situational variables exist in the organization in order to increase subordinates' job satisfaction. For example, since the coaches in this study are more likely to be satisfied with a formal organization, sport organizations need to constantly explain and provide a clear understanding to all coaches regarding the organization's written rules, policies and guidelines. With respect to organizational rewards, coaches are more likely to be satisfied with their jobs if they perceive their athletic directors as having full control over promotions and pay raise. One implication from this finding is to give athletic directors more autonomy and power on issues concerning promotion, pay raise, and budget allocation. Cohesive work group was also discovered to be significantly related with coaches' job satisfaction. This finding indicates that sport organizations need to find ways to increase the cohesion of members in the organization. Among the methods that can be used to increase group cohesion include providing a common goal that will unite all organizational members and providing opportunities for positive group interaction. Subordinates' ability was also discovered in this study to be a significant predictor of subordinates' job satisfaction. The results suggest that coaches are more likely to be satisfied with their jobs if they perceive themselves as having high ability, more knowledgeable, and more experience. One implication from this finding is to give subordinates more opportunity to increase their ability and knowledge by

providing more training, encouraging subordinates to pursue further education or giving added responsibilities through job enrichment programs.

From a theoretical standpoint, this study has extended the work of Burns (1978) and Bass (1985), by distinguishing between the direct and indirect relationship between transformational leadership behaviours with subordinates' job satisfaction. From this study, it is possible to conceptualize a direct relationship between transformational leadership behaviours with subordinates' job satisfaction in the absence of a strong leadership substitute, neutralizer or enhancer. On the other hand, an indirect relationship is said to occur when the transformational leadership-job satisfaction relationship is moderated by the presence of leadership substitutes, neutralizers or enhancers. The evidence obtained from this study suggests that it is important, when assessing the transformational leadership theory, to examine the indirect influence of transformational leadership behaviours through the moderating effects of the situational variables. Specifically, transformational leadership behaviours of athletic directors have an indirect relationship with coaches' job satisfaction only in the presence of "strong" leadership substitutes. However, in the presence of a "weak" leadership substitutes, transformational leadership behaviours have a direct relationship with subordinates' job satisfaction. It is important to note that the distinction between direct and indirect relationship of transformational leadership behaviour has received very little attention in previous transformational leadership research. The exclusion of the situational variables would result in an erroneous finding. It is possible that the lack of significant transformational leadership effects on subordinate outcome variables in sport settings may have been due to the failure to include the situational variables. For example, Langley and Weese (1995), Pruijn and Boucher (1995), and Bourner and Weese (1995) discovered no significant relationship between transformational leadership behaviours with subordinates' outcome variables. All of the authors concluded from their data that transformational leadership behaviours have no influence on subordinates behaviour in sport settings. However, it should be noted that all of the authors had failed to consider and to control for the influence of situational variables in their study. It could well be that the presence of a strong neutralizer in the studies mentioned above, may have weakened and eliminated the positive influence of transformational leadership behaviours, to the point where transformational leadership no longer has a significant relationship with subordinates' outcome variables. Given the importance of the situational variables, there is a need to include the situational variables, when assessing transformational leadership behaviours. Otherwise, the results obtained will be misleading, erroneous or understating the influence of transformational leadership on subordinates behaviour.

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