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**The Effect of Transformational Leadership on Public Service
Motivation and Job Satisfaction: The Case of Estonia**

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I hereby declare that I have compiled the thesis independently and all works, important standpoints and data by other authors have been properly referenced and the same paper has not been previously presented for grading.

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ABSTRACT

The remarkable growth in leadership research in the past few decades has primarily been manifested in private-sector-specific studies, while the volume of public sector leadership research has remained conservative in comparison. The thesis will aim to contribute to the limited knowledge base by analyzing the effects of transformational leadership practices on public service motivation (PSM) and job satisfaction in the Estonian public service. Using secondary data (n = 3555) from a 2017 survey investigating the effects of public service management practices, the results of the regression analysis confirm a particularly strong and positive relationship between transformational leadership behaviors and public servants' job satisfaction. On subordinates' PSM, however, such leadership practices have only a limited effect. The discussion and conclusion of the thesis provide avenues for future research, and describe both the practical implications as well as their limitations.

Keywords: *Transformational Leadership, Public Service Motivation, Job Satisfaction, Estonia*

INTRODUCTION

Following its initial introduction by James Burns (1978) four decades ago, the theory of transformational leadership has over the years become one of the most popular topics in organizational and management research (Braun et al., 2013, p. 270; Lowe and Gardner, 2000, p. 480). While the main focus of transformational leadership research – which is also true for leadership research in general – has been on private sector organizations, scholars have increasingly started to pay attention to it in public sector organizational contexts (Jensen et al., 2019; Orazi et al., 2013; Van Wart, 2013; Wright and Pandey, 2010). When in the past doubts have been expressed regarding the overall prevalence and prospects of transformational leadership in the public sector (see Wright and Pandey, 2010, p. 86), recent research suggests that not merely is transformational leadership present and widely practiced in the public sector, but growing evidence also supports that it is very effective within the public sector domain, resulting in numerous positive outcomes (Jensen et al., 2019; Paarlberg and Lavigna, 2010; Trottier et al., 2008).

The thesis aims to contribute to this emerging research field in several ways. The effects of transformational leadership are studied on the basis of two different perspectives: first, by its impact on public service motivation (PSM), a construct that could be described as a “form of altruism or prosocial motivation that is animated by specific dispositions and values arising from public institutions and missions” (Perry et al., 2010, p. 682); second, the influence of transformational leadership will be studied in relation to job satisfaction, the latter being one of the most widely researched constructs within the discipline of organizational studies (Fisher, 2000, pp. 185-186). Building on the transformational leadership theory, the institutional perspective on PSM, and on mainstream job satisfaction literature, the research question is: to what extent do leaders’ transformational leadership practices influence both the PSM and job satisfaction of their subordinates?

The case will be studied in an Estonian public sector context. Estonia is a particularly compelling case to study for several reasons. First, the socialist legacy and subsequent post-socialist transition has meant the ground-up establishment of new modern institutions at a fast pace, including a merit-

based public service system (Pesti and Randma-Liiv, 2018, pp. 142–143). Second, the public service reform paths and rationales throughout the entire post-independence period to date make Estonia’s case unique (this is elaborated more in the following chapters). Third, the topics of transformational leadership and public service motivation are, as yet, completely understudied in Estonia and in a broader Central and Eastern European (CEE) context. This is especially evident in comparison to the empirical research data available from the United States and Western Europe. In regard to prior job satisfaction research in the Estonian public sector, some studies have been conducted by private consulting companies; however, academic research on the subject remains very limited.

The empirical analysis is carried out by using ordinary least squares (OLS) regression on a secondary dataset. The large dataset comprising 3555 respondents (both civil servants and employees – referred to as “public servants” from here on – working in central government institutions, i.e., ministries, agencies, and subordinated organizations) comes from a multi-country project investigating the effects of public service management practices across different countries (see Meyer-Sahling et al., 2018a). In Estonia, the data were collected between May and June 2017.

The main structure of the thesis is as follows. The first part consists of a theoretical overview and literature review, which is followed by introducing the Estonian case. Next, hypotheses are formulated. In the fourth part, the research methodology is described. In the fifth part, the results of the analysis are presented, which is followed by the discussion chapter. The thesis ends with a conclusion chapter.

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1. THEORETICAL BACKGROUND

1.1. An Overview of the Transformational Leadership Theory

Organizations from both the public and private sectors face growing challenges and unpredictability in an increasingly complex world. In the past few decades, this has, *inter alia*, manifested itself in a flourishing interest in leadership theories and practice (Orazi et al., 2013, p. 487). As it is widely considered that leadership has a significant effect on overall organizational performance, it is thus hardly surprising that the topic has gained such great and sustained attention by both academics and practitioners alike (Day, 2014, pp. 3–4). In parallel, leadership research has undergone a fundamental shift from traditional leadership theories that dominated until the late 1970s to contemporary theories that emerged more recently (Avolio et al., 2009, p. 767).

James Burns (1978) was the first author to introduce transformational (Burns referred to it as “transforming” in his original work) leadership in direct opposition to transactional leadership behaviors. On the most fundamental level, according to Burns, both these styles are interaction processes, where transactional leadership works purely on the exchange principle, whereas transforming leadership works on the engagement principle (Burns, 1978, p. 20). In general, his work marked a turning point in leadership discourse and research – it was perhaps the clearest withdrawal from “hard” concepts and practices commonly associated with leadership in the past, such as power and coercion – by providing a new perspective and setting the foundations of research on leadership for the following decades.

One of the most prominent and prolific theorists on transformational leadership – from the 1980s to date – has been Bernard M. Bass. Bass refused to consider Burns’s original conceptualization that transformational and transactional leadership are “opposite ends of a single continuum” (Judge and Piccolo, 2004, p. 755). According to Bass, these two are different concepts, and “the best leaders are both transactional and transformational,” with the latter making transactional leadership more effective (Bass, 1999, p. 21). Thus, transformational leadership is not a substitute for transactional leadership, rather “it supplements it and, generally, proves difficult if transactional

leadership does not precede it” (Van Wart, 2013, p. 558).

Based on the numerous factor analyses that were conducted (Bass, 1997, p. 133), Bass elaborated the transformational leadership theory by proposing a two-dimensional model, consisting of four transformational and three transactional components, and, in addition, a non-leadership component, *laissez-faire* (Bass, 1997, pp. 133–134).

Under transformational leadership, he considered the following dimensions: *idealized influence*, *inspirational leadership*, *intellectual stimulation*, and *individualized consideration*. Following Bass, transformational leaders set a vision and actionable objectives; they lead followers by example; they set high-performance standards and are determined to achieve desired results. At the same time, transformational leaders understand that their followers need to be creative and innovative in changing environments; moreover, they pay attention to the needs and concerns of individual followers – as such, they saliently exhibit coaching behaviors (Bass, 1999, p. 11).

On the other hand, the components of transactional leadership are *the contingent reward*, *active-management-by-exception*, and *passive-management-by-exception*. Thus, transactional leaders establish an exchange-type relationship by clarifying the goals to their followers – and the reward is dependent upon reaching the targets required. Transactional leaders can take an active role by monitoring followers and trying to detect arising issues pre-emptively, or, vice versa, be in a passive role most of the time and only take action in case problems have already arisen or are imminent. As the *laissez-faire* – the non-leadership component term – explicitly hints, some leaders can even (more or less deliberately) refrain from making important decisions or take no action when necessary (Bass, 1999, pp. 10–11).

It is difficult to overestimate the attention transformational leadership has gained. Braun et al. (2013) note that it is “the most researched leadership concept to date” (Braun et al., 2013, p. 270), it has been asserted that transactional and transformational leadership theories “are still mainstream in the contemporary debate” (Orazi et al., 2013, p. 488). (See also, for example, Judge and Piccolo, 2004; Wright and Pandey, 2010).

In order to remain effective in today’s complex environment with changing workforce dynamics, it has been argued that transformational leadership behaviors gain considerably greater importance in comparison to transactional types of behavior (Bass, 1999, p. 10; Nemanich and Keller, 2007,

p. 64). Indeed, on the most fundamental level, transformational leadership is exactly that – “managing organizational change” (Van Wart, 2013, p. 557).

As noted, Bass’s work has been highly influential. In the majority of transformational leadership studies carried out to date (Dumdum et al., 2013, pp. 40–41), Bass’s transformational-transactional leadership theoretical model, containing all the abovementioned leadership components, known as the Full Range of Leadership (FRL) (Bass and Riggio, 2006, pp. 5–8) – and its measure developed for empirical analysis – the Multifactor Leadership Questionnaire (MLQ), have been utilized (Dumdum et al., 2013, p. 41). It must be emphasized that when referring to leaders as being either transformational or transactional, references are made to archetypes that do not exist in reality in their pure forms. Bass and Riggio (2006) argue “that every leader displays each [leadership – author’s remark] style to some amount” (Bass and Riggio, 2006, p. 9).

In line with Bass's bold arguments from decades ago that, in general, transformational leaders are more effective, their organizations perform better, and their followers are more likely to be satisfied (Bass, 1990, pp. 21–22), rich empirical evidence and available meta-analyses confirm a number of positive organizational outcomes related to transformational leadership behaviors. For example, transformational leaders tend to more successfully influence their followers to change initiatives within their organization (Herold et al., 2008); transformational leadership behaviors are positively correlated to performance (Dumdum et al., 2013; Jacobsen and Bøgh Andersen, 2015) and with employees’ trust in their leader (Gillespie and Mann, 2004). Furthermore, transformational leadership is positively and strongly correlated with followers’ job satisfaction (Braun et al., 2013; Judge and Piccolo, 2004).

1.2. Leadership in the Public Sector Context

Despite the enormous growth of interest in the field of leadership research, public sector leadership literature represents just a fraction of the volume of work published on the topic in the last few decades and has not occupied “an autonomous domain in the leadership debate” (Orazi et al., 2013, p. 488). As such, it is clearly a part of the “mainstream leadership literature,” which has a disproportionate focus on private sector organizations (see, for example, Wart, 2003, p. 215). In contrast to the limited attention received from scholars, practitioners in the public sector have given considerable importance to leadership (Fairholm, 2004, p. 579) – one indicator being the vast investments made in leadership development programs (Fernandez, 2008, p. 176).

There are several possible explanations as to why leadership research from a public-sector-specific perspective lags behind. Fairholm (2004) argues that many public administration researchers have downplayed the importance of leadership and “are, at best, ignoring leadership issues and, at worst, rejecting the concept” (Fairholm, 2004, p. 579). He notes that the modest interest could be explained by concerns with which many academics in public administration are preoccupied, and which may be referred to, or categorized as, the “three Ds” (ibid., p. 578) (see Table 1).

Table 1. The “three Ds”.

Dichotomy arguments	"Leadership looks too much like politics and therefore should be eschewed"
Discretion arguments	"Leadership as a maverick and undesirable version of administrative discretion"
Domination/authority arguments	"Leadership is merely another form of domination and authority and, therefore, is inherently dangerous because it tends to create societal units that are dominated by the whims of unchecked..."

Source: Fairholm (2004)

Fundamentally, all the categorized arguments tend to show or explain why (administrative) leadership is either undesirable, dangerous or should be avoided altogether.

Yet another explanation could be established *vis-à-vis* developments in New Public Management (NPM). Having already provoked controversy and received considerable criticism from public administration scholars during its heyday (see, e.g., Savoie, 1995), one of the core ideas of NPM has been the adoption of private sector principles (Boyne, 2002, p. 97), including management practices, into the public sector. Thus, it seems probable that concepts such as “leadership” and “management” generate some bias and associations with NPM which, in turn, could partly explain the modest interest and caution in leadership research within the public administration domain.

To date, one of the central questions in public sector leadership research has been to what extent public and private organizations differ in terms of leadership, and the implications of this (Andersen, 2010, p. 137; Rainey and Chun, 2007, p. 80). Only a limited amount of comparative studies have been carried out and the results are mixed (Hansen and Villadsen, 2010, p. 251). According to Andersen (2010), two overall perspectives can be identified: generic and distinctive (Andersen, 2010, pp. 137–138). Researchers advocating for the first find no considerable sector differences in management and leadership, while those supporting the second perspective, in contrast, emphasize the differences (*ibid.*, p. 138). On the whole, the topic remains open to discussion and continued research, or as at this point of the maturity of the research, as Rainey and Chun (2007) conclude, “...both sides in the controversy over whether public and private management differ get to be right, in a sense.” (Rainey and Chun, 2007, p. 90).

Doubt has been thrown on the relative value of leadership in public sector organizations in general, for example, by magnifying the distinction between administrative and private-sector leadership (Wright and Pandey, 2010, p. 76); moreover, stereotypes and biases exist (e.g., that government organizations are highly bureaucratic, resistant to change or that public sector leaders have very limited options to reward their employees, among others) (Rainey and Bozeman, 2000, pp. 448–449; Wright and Pandey, 2010, pp. 75–76).

In specific relation to transformational leadership, Wright and Pandey (2010) argue that “strong and pessimistic a priori expectations” are made “about the prospects of transformational leadership in the public sector” (Wright and Pandey, 2010, p. 86). In contrast, scholars have increasingly started to reasearch transformational leadership in public sector organizational contexts (Jensen et al., 2019; Orazi et al., 2013; Van Wart, 2013; Wright and Pandey, 2010). Wright and colleagues argue that “transformational leadership may be particularly useful in public and nonprofit organizations, as such organizations have strong service- and community-oriented missions”

(Wright et al., 2012, p. 207) and thus align well with several transformational leadership theories' core perspectives. Some recent research suggests that not only is transformational leadership present and widely practiced in the public sector, but also highly effective (Jensen et al., 2019; Trottier et al., 2008). In the current thesis, the effectiveness of transformational leadership practices is studied from multiple perspectives, namely, by analyzing its effect on PSM and job satisfaction.

1.3. Public Service Motivation

It is generally accepted in academia that contemporary research on public sector motivation (PSM) largely originates from the work of Perry and Wise, who published their original article on the motivational bases of public service back in 1990. Their definition of PSM as “an individual's predisposition to respond to motives grounded primarily or uniquely in public institutions and organizations” (Perry and Wise, 1990, p. 368) has since found its way into the mainstream of public administration.

Although several authors have suggested alternative PSM definitions (for a comprehensive overview, see Perry et al., 2010) since then, it could be argued that all prominent definitions are mutually compatible, emphasizing different aspects of the same phenomena. Taking into account several known definitions, Perry et al. (2010) formulated an umbrella term: PSM “is a particular form of altruism or prosocial motivation that is animated by specific dispositions and values arising from public institutions and missions” (Perry et al., 2010, p. 682).

At its core, the theoretical foundations of PSM oppose the rational choice theory, which stipulates that individuals act solely in their self-interest. Perry (2000) notes that human behavior is more complex – people are motivated by several factors, i.e., rational, normative and affective processes (Perry, 2000, pp. 473; 480) – and, as Perry further argues, “the primary motivators for public-sector employees are the interests that attract them to public service” (Perry, 2000, p. 484).

Research on public sector motivation (PSM) has proliferated – this phenomenon started at the beginning of the 1990s but has been particularly visible in recent (i.e., 2013-2015) years (Christensen et al., 2017). It could be assumed that the academic interest has at least partly been driven by the ongoing challenges the public sector is confronting, perhaps most notably, demands

for enhanced performance along with a simultaneous need to attract and retain talent (Christensen et al., 2017, p. 529; Clerkin and Cogburn, 2012, pp. 209–210).

A better understanding of the essence of PSM as well as its real potential, antecedents, and triggers that help to generate and sustain motivation among public servants could provide a partial answer to the abovementioned challenges. Indeed, based on their systemic review of PSM literature, Christensen et al. 2017 note that “the practical implication most frequently voiced in recent research is that selecting employees with high public service motivation is a reliable and predictable way to realize the benefits of public service motivation” (Christensen et al., 2017, p. 532).

It is only natural to assume that, in general, recruiting individuals who prefer to work in the public sector, and moreover, who have a higher motivation to serve the public – that is to say, people who are not driven exclusively by self-interest, but who “are oriented to act in the public domain for the purpose of doing good for others and society” (Perry et al., 2010, p. 687) – would be the best choice for public sector organizations and for society as a whole. With respect to the connection between PSM and outcomes, considerable empirical evidence suggests there is a positive linkage between higher levels of PSM and different important outcome variables, such as job satisfaction (Naff and Crum, 1999; Steijn, 2008), with employees’ performance appraisal ratings (Naff and Crum, 1999) and self-reported performance (Vandenabeele, 2009); moreover, there is a positive relationship between higher levels of PSM and some organizational citizenship behaviors (i.e., altruism and generalized compliance) (Kim, 2006), and innovative behavior (Miao et al., 2018). The higher the level of PSM, “the more likely the individual will seek membership in a public organization” (Steijn, 2008, p. 21), and an opposite, negative, relation between higher PSM and employees’ turnover (Naff and Crum, 1999).

Evidently, in regard to the previously presented perspective, it seems that PSM could provide both immense and unique benefits to public sector organizations, but, arguably, this has not yet put into practice in reality. In fact, Ritz et al. (2016) view “research utilization as one of the greatest shortcomings of public service motivation research to date” (Ritz et al., 2016, p. 420).

This could partly be explained by the assumption that PSM research is not yet sufficiently mature. The dominant use of cross-sectional survey designs in PSM research (Wright and Grant, 2010, p. 694) does not advance our understanding of the phenomena in more specific contexts and

introduces concerns, for example, that reverse causality could not be ruled out (Wright and Grant, 2010, p. 695). Bakker (2015) concludes: “We still know little about the mechanisms that make PSM work. How does PSM help deliver high-quality services? When do public servants manage to sustain their PSM?” (Bakker, 2015, p. 723). Both longitudinal (Ritz et al., 2016, p. 422) and experimental or quasi-experimental research designs (Wright and Grant, 2010, p. 696) are promising, but are currently utilized only infrequently (e.g. Bellé, 2014; Meyer-Sahling et al., 2019; Pedersen, 2015; Ward, 2014; Wright and Christensen, 2010).

Nonetheless, recent theoretical developments in PSM research allow us to build a cautiously optimistic outlook for the future. Several researchers have advanced our knowledge about PSM by moving away from the micro-level perspective of PSM – which primarily focuses on an individual's disposition to public service – to a broader perspective in order to study the underlying mechanisms of PSM. The general premise seems to be an understanding that PSM does not exist in a vacuum but is instead shaped and affected by a variety of societal, institutional, and organizational factors.

Some of the most promising work in this regard relates to research that incorporates the theoretical foundations of PSM with other theories, notable examples being PSM and “person-environment” or “person-organization fit” frameworks (Bright, 2008; Steijn, 2008). In essence, from this perspective it is argued that organizations in the public sector represent a variety of different missions, resources, and jobs (Bright, 2008, p. 152); and obviously there is no perfect alignment between the needs, values, and interests of both individuals and employers. Therefore, the higher the incompatibility between a public employee and the organization – for example, limited options to satisfy one's needs for PSM in an organization (Steijn, 2008, p. 17) – the more it will result in a negative effect for some vital outcome variables (such as job satisfaction) and could increase turnover intentions, regardless of the level of individual PSM present (Bright, 2008, pp. 152–153; Steijn, 2008, pp. 14; 17).

Another important line of research – although only the first steps have been made so far – is studying the relationship between PSM and transformational leadership (Paarlberg and Lavigna, 2010; Wright et al., 2012). This is one area of focus of the current thesis. Based on the assumption that institutions influence the development of PSM, Vandenabeele (2014) contributed to the institutional theory of PSM by combining PSM and transformational leadership with concepts borrowed from the self-determination theory (SDT) and tested his model empirically with a large

sample consisting of Belgian civil servants. According to Vandenaabeele (Vandenaabeele, 2014, pp. 156–157), leaders are able to promote institutional and public service values and may transmit these values to subordinates via the process of internalization [the latter is a concept borrowed from the SDT and refers to “ the process of taking in a value or regulation”] (Ryan and Deci, 2000, p. 60). While Vandenaabeele specifically analyzed the impact of inspirational motivation (Vandenaabeele, 2014, p. 159), it could be assumed that several transformational leadership behaviors may contribute to basic needs satisfaction and, as a result, facilitate the internalization processes and lead to increase in PSM. Following the transformational leadership dimensions elaborated by Bass (1999, p. 11), leaders could, for example, through individualized consideration, articulate to employees their autonomy; or, through idealized influence, envision a desirable future and common purpose, thus enhancing the relatedness to others. The findings of the study by Vandenaabeele confirmed that transformational leadership behaviors are positively correlated with followers’ PSM levels (Vandenaabeele, 2014, p. 165). These results also coincide with the findings from Wright et al. (2012) – in their study among senior managers from the larger-population US local government jurisdictions, it was found that transformational leadership has a direct and positive effect on employees’ PSM (Wright et al., 2012).

1.4. Job Satisfaction

1.4.1. Job Satisfaction: Historical Context and its Perceived Outcomes

Job satisfaction has been one of the most highly researched constructs within the organizational studies field to date (Fisher, 2000, pp. 185–186). Seminal work on job satisfaction can be traced back at least to the 1930s when, for example, Hoppock and Spiegler (1938) reviewed numerous articles published on the subject; however, attempts to link favorable and satisfying working conditions with positive organizational outcomes date back to the early 20th century (e.g., Taylor, 1911, 94-96).

In a contemporary context, diverse definitions of job satisfaction exist, and thus it remains a relative construct. Nonetheless, two more commonly used definitions have emerged: the first, stated by Locke in 1976, defined job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences” (Locke, 1976, p. 1304). Two decades later, Spector provided an alternative definition: job satisfaction is “the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs” (Spector, 1997, p. 2).

Brief and Weiss (2002) note that, taken as a whole, after Locke’s definition was introduced, job satisfaction primarily became viewed as an employee’s affective reaction to his or her job.

They argue that the conceptual clarity of job satisfaction progressed to some extent in the 1990s when several scholars started considering it to be a more multifaceted construct than was previously believed – comprising an attitudinal dimension with affective and cognitive components; as well as asserting that there is a separate relevant component, an individual's evaluative judgment, present as well (Brief and Weiss, 2002, pp. 282–283).

Over the years, much, if not most, of the research on job satisfaction has been conducted in order to study the consequences of job satisfaction. One of the driving forces behind researchers' interest in job satisfaction was already, back in the 1930s, an expected relationship between job satisfaction and multiple positive outcomes, but most notably, a possible causal link between job satisfaction and job performance (Judge et al., 2001, p. 376).

In general, empirical evidence supports the common knowledge that there is a relationship between job satisfaction and positive organizational outcomes. For example, in the private sector context, Harter et al. (2002) conducted a major meta-analysis (similar level public sector analyses do not exist) that confirmed positive correlations between job satisfaction and businesses' profitability, productivity, higher customer satisfaction and lower employee turnover rates. At the same time, and still relevant today, the authors indicated that there is a need for the creation of a more robust model that would better explain the causal relations between employee satisfaction and different outcomes (Harter et al., 2002, pp. 273; 276).

Indeed, in studies related to job satisfaction, often, the underlying theoretical assumptions are not elaborated in sufficient detail. For example, many researchers take the causation – in particular, the causal direction between job satisfaction and work performance (where the first serves as an antecedent and latter is a consequence) – for granted. However, the relationship could actually be the reverse in one of the most basic scenarios – i.e. performance being an antecedent of satisfaction (for a comprehensive overview of possible satisfaction-performance relationships, see Judge et al., 2001).

The assumption that job satisfaction (when considered an attitudinal dimension) would have an effect on performance (a behavioral dimension) seems to have been at least partly (although the presumption was already prevalent earlier on) reinforced by the introduction of the influential theory of planned behavior by Ajzen and Fishbein (Ajzen, 1985; Ajzen and Fishbein, 1977). This allows us to explain the satisfaction-performance relationship in the direction of attitudes influencing behaviors, meaning job satisfaction having an effect on job performance, not vice versa (see also Judge et al., 2001). Important empirical evidence has also favored this view. The results from a large-scale meta-analysis conducted by Harrison et al. (2006) showed that job attitude-behavior correlations were stronger than the opposite relationship (Harrison et al., 2006, pp. 317–318); in another study, based on a set of meta-analytic regression analyses, it was found that job attitudes, similarly including job satisfaction, tend to increase performance, not the other way around (Ricketta, 2008).

1.4.2. Job Satisfaction: its Antecedents and Perceived Outcomes in the Public Sector

In comparison with the overwhelming number of employee satisfaction studies conducted in the private sector, job satisfaction has, in the field of public administration, gained significantly less attention (Steijn, 2004, p. 291). Nonetheless, the existing academic literature and empirical findings are sufficiently rich in order to be able to present and review multiple different perspectives.

First, it has to be noted that, fundamentally, research on job satisfaction, both in the public and private sector, share the same theoretical underpinnings and are arguably part of the same domain. The historical basis of contemporary job satisfaction research lies most notably in the work of Frederick Herzberg and colleagues, who introduced their two-factor theory back in 1959. In this theory of job satisfaction and motivation, two sets of factors were distinguished: (a) extrinsic (hygiene) factors, that do not increase job satisfaction, but their lack could lead to dissatisfaction; (b) and intrinsic factors (motivators), which however are able to increase satisfaction, but if not present, would not cause dissatisfaction (Herzberg et al., 1959, pp. 113–114). The theory became highly influential, and, to date, the broad-level dichotomous separation between *extrinsic* (comprised of, for example, pay, job security, working conditions, workplace supervision) and *intrinsic* (for example, job tasks and content, development opportunities) factors are prevalent in research seeking to explain the determinants of overall job satisfaction.

Besides the job satisfaction-outcomes relationship discussed in the previous chapter, investigating the influence of individual job factors or facets, with the aim of predicting and explaining overall job satisfaction is another important stream in job satisfaction research (Agho et al., 1993; Hackman and Lawler, 1971; Taylor and Westover, 2011). Judge and Klinger (2008) note that “most researchers recognize that job satisfaction is a global concept that is comprised of or indicated by, various facets” (Judge and Klinger, 2008, p. 395). Although no dominant model has emerged over others, in general, the underlying principle of this research design remains the same: specifically, in the case of faceted measures, “overall job satisfaction is typically defined as a sum of the facets” or, alternatively put, the “same as the sum of parts” (ibid., p. 397).

When specifically reviewing previous research on job satisfaction in the public sector context, we could first focus on the following broad question: Does job satisfaction and its determinants for the employees working in the public sector differ from those employed by the private sector (and *if yes, then how?*).

Do public sector employees, in general, tend to be more satisfied with their job, or is it the other way around? Although a few decades ago there were instances where this question was addressed (e.g. Steel and Warner, 1990), it seems researchers have later almost exclusively refrained from making large cross-sectional comparisons across sectors with an aim of investigating which sector employees have a higher level of job satisfaction. Arguably, and whatever the reasoning behind it, such macro-level examination and interpretation of the results would generally be regarded as an oversimplification.

In contrast, as already previously noted in this chapter, a great deal of attention has been paid to the factors and characteristics that are believed to affect overall job satisfaction and, moreover, it is widely used as a basis to explain the differences between the public and private sector employees. In line with the core of the PSM theory, there is some empirical evidence available suggesting that public sector employees are less motivated by financial incentives, but in contrast exhibit higher level of public-service-oriented motives and also perceive their job as having a social impact more strongly than those employed by private sector (Buelens and Van den Broeck, 2007, p. 67; Bullock et al., 2015, p. 6). In a similar vein, it is commonly suggested and proven that not only are intrinsic work factors important to public employees' job satisfaction but in fact, have the strongest effect on it as a whole (Steijn, 2004, p. 300; Taylor and Westover, 2011, p. 740). It will be argued later in this thesis that transformational leadership behaviors could lead to higher job satisfaction by improving the intrinsic factors related to the job.

2. THE ESTONIAN PUBLIC SERVICE

The development of a modern public service system in Estonia began in the initial years after regaining its independence in 1991 and represents a radical transition from the Soviet administrative system (characterized by a politicization of the public service and patronage) to a system governed by underlying principles of merit (Randma-Liiv, 2005, p. 100). Throughout the post-socialist transition process, Estonia embraced neoliberalist ideas and policies at a level that earned the country a reputation as a paragon of neoliberalism (Bohle and Greskovits, 2012, p. 128); a series of radical far-reaching economic reforms were adopted and implemented (Darden, 2009, p. 129) in a short period of time. Given this general pro-reformist orientation and the way in which various structural reforms were implemented at a rapid speed, the pace (and paths, as will be elaborated later) of the public service reforms in Estonia provides a more nuanced view on both initiating and completing reform processes in a post-socialist transition context. Considering the limitations of space, the main focus of this chapter will, however, be on the background characteristics illustrating the Estonian case.

Two of the most important public service reforms in post-independent Estonia were passed in 1995 and 2012, respectively. The introduction of a Public Service Act in 1995 could be regarded in the democratization process as self-evident. The framework laid out in the first reform of the public service which came into force in 1996 further enabled the transition to a modern merit-based public service system (Pesti and Randma-Liiv, 2018, pp. 142–143). It determined that the public service comprised a small core of public administration both at central and local government levels – the rest were employed under general labor law (Randma et al. 2020, p. 6). The system became open to free competition (including in the case of most senior positions), and was based on a job system (some elements of a career system included) (ibid). Randma et al. (2020) note that although the reform project was drafted in urgency and implemented in haste, with limited access to expert knowledge and with no prior experience, the reform still “constituted a good basis for the evolution of a meritocratic public service” in Estonia (ibid., p. 7).

In the late 1990s, one of the top strategic objectives in Estonia was to gain full membership of the European Union (EU). Meyer-Sahling (2011) points out that in general, in terms of the public service legislation, Estonia had already met an array of EU standards years ahead of its accession – although the compliance was partly deceptive; in the case of the salary system, for example, a clear divergence between the legislation and “real life” existed (Meyer-Sahling, 2011, p. 248). Despite some issues, the Estonian public service system saw little change in both the pre- and post-accession period (ibid). Indeed, it is argued by other authors that public administration reform has hardly ever been considered to be a political priority (Randma et al. 2020, p. 2) of a strategic nature in Estonia. There were several initiatives to pass a new act in the 2000s but these did not materialize before 2012 (ibid., p. 8).

The 2012 public service reform allows us to further argue that, in general, throughout almost the entire post-independence period, public service as an institution has been seen as having a relatively low strategic value in Estonia. On the one hand [by 2012], “the necessity to decrease the gap between legal text and actual practice became indispensable” (Pesti and Randma-Liiv, 2018, p. 144), but the issues themselves were known for years, even decades, earlier; the salary system example presented previously highlights that in some instances it was learnt over the years to creatively adapt to the legislation. On the other hand, one of the main rationales behind the 2012 reform was simply cost-efficiency (Randma et al. 2020, p. 8). This underlying motive, already being powerful in Estonia by the early 2000s, was further reinforced by the 2008 global financial crisis, and clearly accelerated the public service reform process (Pesti and Randma-Liiv, 2018, p. 144).

Following the explanatory memorandum to the 2012 Public Service Act draft, among other objectives, the main purposes for drafting the new law were (in some cases, limited extracts are hereby presented): “modernizing the Estonian public service”, “...narrowing the definition of a civil servant”, and to “...take into account personal responsibility and competitiveness” (Public Service Act 2012 explanatory memorandum, p. 3). Among others, “the open system principle”, “flexibility” and “efficiency” were characterized as the governing values in the new act (ibid). On the one hand, presenting NPM-inspired buzzwords as values without much elaboration (it seems that a loosely NPM-based value system was favored *a priori*) and on the other, leaving no place for more fundamental values (such as integrity, fairness, decency, tolerance and humanity) (Kernaghan, 2003, p. 712) – that could possibly be considered inherent to public service, is, in international comparison, unprecedented. Moreover, the timing of the reform is noteworthy –

considering administrative reform trajectories, NPM already started to lose its appeal and momentum internationally by the end of 1990s (Pollitt, 2017, pp. 10–11); despite this, in the Estonian case, more contemporary models (e.g. New Weberian State (NWS)) (ibid., p. 95) were not considered or advocated as possible alternatives, not even to some extent.

Researchers have described that the 2012 public service reform “presents a “textbook case” of managerial NPM-oriented reform” (Pesti and Randma-Liiv, 2018, p. 151); in addition, the reform did not result in decreased labor costs or in any remarkable staff number reduction in the following years (ibid., 145). It needs to be highlighted that the reform did not address the long-standing issue of decentralization of the public service – from a comparative perspective, Estonia’s public service system is one of the most decentralized systems in Europe (Meyer and Hammerschmid, 2010, pp. 466–467). What makes the problem acute is that the decentralized system in Estonia is accompanied by poor coordination (Jarvalt and Randma-Liiv, 2010, p. 249). It has been noted that the 2012 reform, which extended the power and discretion of individual managers and increased the inconsistencies between organizations (Randma et al. 2020, p. 15) has since somewhat aggravated the issue (Pesti and Randma-Liiv, 2018, p. 148). The reform also resulted in a reduction of the overall number of public servants. “About 25 percent of public servants lost their status and became employees under the Labour Law” (Randma et al. 2020, p. 8). The employment conditions thus became closer to those employed by private sector (ibid).

In general, the need to ensure public sector cost-efficiency and cut the number of public servants has been, and continues to be, a popular theme in both public discourse and political agendas in Estonia. In 2015, the government set a priority to begin the state reform process (Rahandusministeerium, 2017, p. 1), where one of the desired outcomes is cost and headcount reduction (ibid., p. 2) in the public sector. From time to time, different opinion leaders and stakeholders have been advocating the same priority – for example, in 2018, a group of Estonian entrepreneurs established a foundation with the aim of making suggestions and recommendations for state reform. Among the set of recommendations, a reduction in the number of public servants (by approximately 50%) was proposed (Riigireformi Sihtasutus, 2018, pp. 72-73). These ideas did not materialize, although they reflect a broadly shared view in Estonia that treats the public sector close to any other (private sector) employer, and emphasizes single public sector organizations rather than public service as a coherent institution.

Drawing on the Estonian case from institutional perspective, an interesting and compelling question is to what extent will PSM be affected when, on the one hand, public service values in a prosocial sense are not particularly emphasized (not even formulated, arguably), and, on the other, public service as an institution does not have a very distinct status in a society – rather the opposite is true (see also Randma et al. 2020, p. 8). Addressing this question falls outside the scope of this thesis, but a general assumption would be – in line with the institutional perspective – that such structurally unfavorable conditions, in particular for public service motivation, will result in a negative effect on PSM or, at best, would not help PSM utilize its potential within the public service as a whole. It will be argued in the next chapter that transformational leadership practices could mitigate this effect to some extent – by virtue of the characteristics associated with this type of leadership style.

3. HYPOTHESIS

Following the *institutional perspective* on PSM developed by Vandenabeele (2007), public sector institutions have a dual role in both embracing public service values and responding “to the individual psychological needs” (Vandenabeele, 2007, p. 553) of their employees. Building on a *self-determination theory*, he argues that such responsiveness enables the internalization of public service values “within the individual’s public service identity.” (ibid). These values are also a part of the leader’s organizational role (Vandenabeele, 2014, p. 165). There is some empirical support for the argument that leaders are able to influence and increase their subordinates’ PSM within institutional contexts (Vandenabeele, 2011, pp. 100–101).

Although this kind of exploration is still in its infancy, Wright et al. (2012) note that linking PSM with transformational leadership literature (the latter at its core stressing the “importance of clearly articulating an organization’s goal as part of the process of inspiring and motivating employees”) (Wright et al., 2012, p. 208) could be valuable. Research also suggests that public sector organizational missions and their perceived intrinsic value can positively influence how much importance employees attribute to their jobs (Wright, 2007, p. 60).

Partially independent of the relatively unfavorable structural conditions hindering the emphasis of specific public service values described in the Estonian case chapter, we could first expect that transformational leaders are still at least to some extent effective in responding to the prosocial needs of their subordinates in the public sector. In particular, it can be expected that these leaders are responsive in satisfying their followers’ need to “act in the public domain for the purpose of doing good for others and society” (Perry et al., 2010, p. 687) regardless of whether such needs have found their manifestation in public service values in a given country or not. Perhaps even more importantly, there is also a partial overlap between the essence of public sector missions and values on the one hand and what transformational leadership represents on the other – following Bass, leaders of this type lead their followers away from immediate self-interests and raise their concerns for “the well-being of others, the organization, and society” (Bass, 1999, p. 11).

Thus, it is hypothesized that: H1. Transformational leadership is positively associated with subordinates' PSM

Although a variety of theoretical perspectives and models have been developed to study job satisfaction, in particular it is the impact of historical motivation theories that has been notable and persistent over time. Both *Maslow's need theory* and *Herzberg's two-factor theory* have in the field of organizational behavior long been considered prominent (Gagné and Deci, 2005, p. 343). The latter, introduced by Herzberg and colleagues in 1959, focused directly on the workplace context. Two-factor theory asserted the presence of extrinsic hygiene factors and intrinsic motivation factors (Herzberg et al., 1959, pp. 113–114), and while it soon attracted controversies and criticism (for an overview, see Grigaliunas and Wiener, 1974), it still became influential and contributed to future theoretical developments. Locke (1969) later argued that the central idea of Herzberg's two-factor theory that associated hygiene factors with dissatisfaction and motivators to satisfaction was essentially flawed because of the unidimensionality the theory attributed to both sets of factors (either able to cause dissatisfaction or satisfaction, respectively, all else being neutral) (Locke, 1969, p. 332).

Partly as a response, Locke contributed to the development of a theory which later became known as *the range of affect theory*, and which is still mainstream. According to Locke, “job satisfaction and dissatisfaction are a function of the perceived relationship between what one wants from one's job and what one perceives it as offering or entailing” (Locke, 1968, p. 10). The author will follow this definition in conjunction with the formulation Locke stated in later years, and that further specified the affective dimension of job satisfaction: “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences” (Locke, 1976, p. 1304). The primary importance of Locke's approach is thus in proposing that job satisfaction is dependent on individual judgement based on one's sole needs and wants. In contrast to the two-factor theory it clearly rejects both the idea that factors can only have a unidimensional effect and that individual reactions are identical. Locke's theory is consistent with the assumption that overall job satisfaction is composed of various facets (Locke, 1968, p. 27).

In line with the review of literature covered in previous chapters, we could expect transformational leadership to have a positive effect on job satisfaction. As highlighted, there is empirical support suggesting that intrinsic work factors are, in general, more important on public servants' overall job satisfaction than are extrinsic facets (Steijn, 2004, p. 300; Taylor and Westover, 2011, p. 740).

By virtue of its definition and characteristics, transformational leadership practices can potentially lead to the improvement in the intrinsic factors related to the job, thus resulting in higher job satisfaction.

Following Bass's typology of transformational leaders (Bass, 1990, p. 22), these types of leader have the potential to give a deeper meaning to the job (by providing vision and a sense of mission); and can help their followers realize their potential (by promoting problem solving and giving personal attention) and succeed (by coaching). As a whole, it is expected that this will lead to an increase in job satisfaction, both in terms of an elevated positive emotional state and of evaluative judgement to one's level of satisfaction.

Thus, it is hypothesized that: H2. Transformational leadership is positively associated with job satisfaction

4. METHODOLOGY

4.1. Data

The empirical analysis was conducted based on a large dataset consisting of 3555 respondents (public servants and employees working in ministries, agencies, and subordinated organizations) from a public service management survey conducted in Estonia. It is a part of a multi-country project investigating the effects of public service management practices; the project was funded by the UK Department for International Development and the British Academy (see Meyer-Sahling et al., 2018a). The survey was led by researchers from the University of Nottingham and UCL; the fieldwork was carried out in Estonia between May and June 2017. The questionnaire was translated into Estonian and back-translated into English. It was also pre-tested through interviews to ensure the wording was meaningful to local public servants.

The survey frame included 14,100 employees (excluding the workforce from the Ministry of Defense and the armed forces) from 53 central government institutions. The survey was administered online via email invitation. A maximum of two reminders were sent throughout the fieldwork to potential respondents who had not yet participated in the survey, resulting in a total response rate of around 25%. The distribution of respondents according to employer/institution is shown below in Figure 2.

In regard to demographics, 74% of the respondents were female, and 26% were male. The average tenure in the current occupation was 6.6 years, and in the respective institution, 10.6 years. Of those who participated in the survey, 19% had managerial responsibilities. Around 95% had a university degree (25% an applied degree; 13% a bachelor's degree; and 57% a master's degree or higher), while 5% had completed secondary education. The average age of respondents was 43.6 years. Respondents' status on the basis of employment contracts was as follows: 70% were permanent public servants and 19% permanent employees; 7% of those with a fixed-term contract were public servants and 2% employees, respectively. 2% were senior public servants.

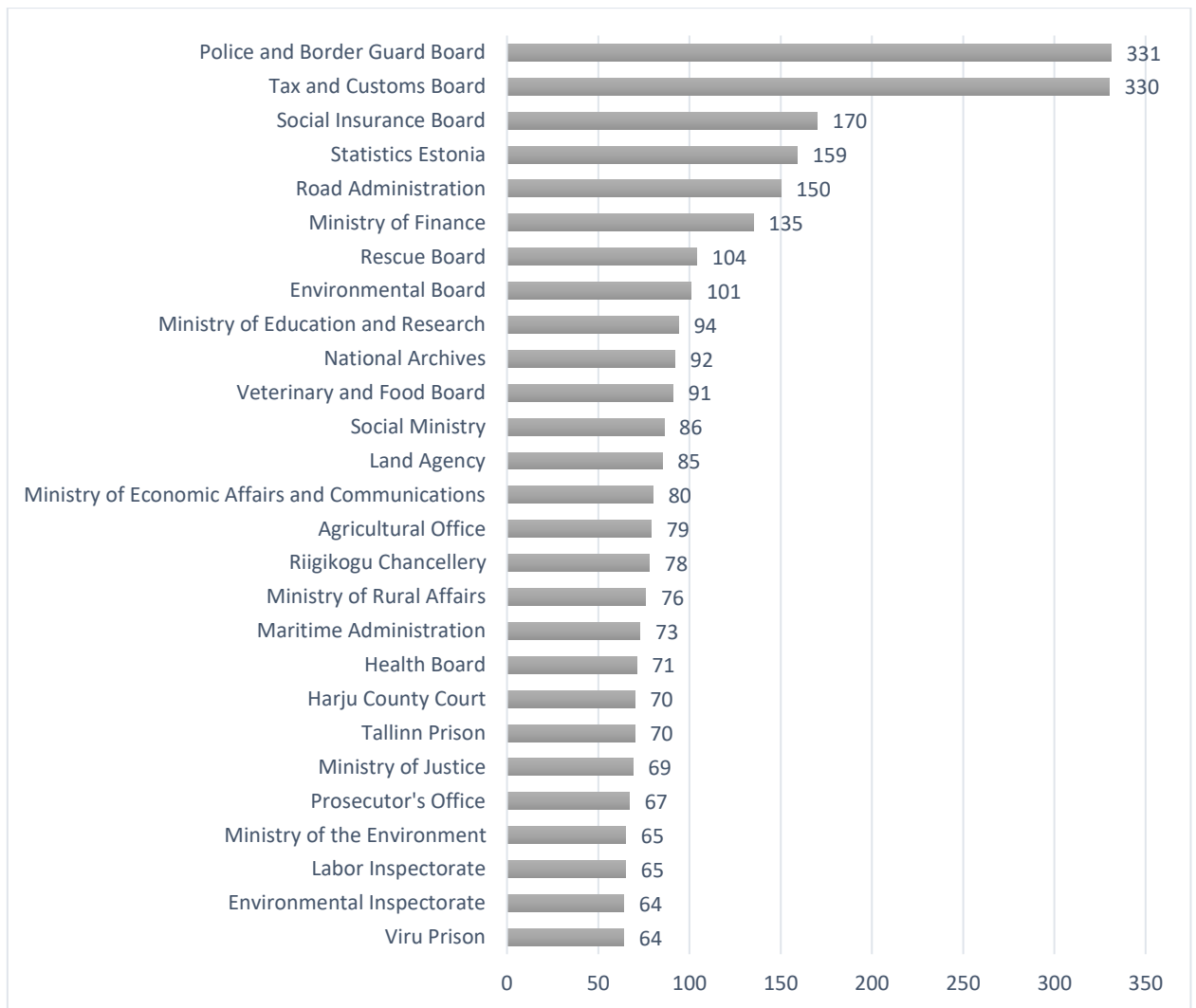


Figure 2. The distribution of respondents across institutions, where the total no. of respondents was higher than 60 (*no. of respondents, n = 2919*).

4.2. Method

Statistical data analyses were performed using SPSS 25.0. First, descriptive statistics were calculated for the variables used in the consecutive analysis. In order to test the hypotheses, ordinary least squares (OLS) regression was deployed. OLS regression is one of the most common and yet robust methods used in quantitative statistical data analysis, enabling to explore the associations between the dependent and independent variables. In the current case, there were two dependent variables, *public service motivation* (PSM) and *job satisfaction*, for which separate regression models were developed. Independent variables were entered into the models in stages: control variables first, followed by variables measuring *transformational leadership*.

4.3. Variables

4.3.1. Dependent Variables

The dependent variables used in the analysis measured public service motivation and job satisfaction.

In the case of public service motivation (PSM), researchers had utilized the well-known PSM measurement scale developed by Kim et al. (2013). It consists of four dimensions derived from 16 items; all scored on a 5-point scale – from 0 (strongly disagree) to 4 (strongly agree). The dataset consisted of respondents' answers to the 16 items, which were, in accordance to the Kim et al. (2013) model's specifications, transformed by the author to four respective dimensions: attraction to public service (APS), commitment to public values (CPV), compassion (COM), and self-sacrifice (SS). Table 1 shows the four dimensions and individual items of the PSM construct.

Before items were indexed to different dimensions, the author proceeded to calculate the internal consistencies on the sets of items belonging under each respective dimension as this would allow an estimation of the reliability of the PSM scale. Cronbach's α coefficients were as follows: 0.79 (APS), 0.69 (CPV), 0.83 (COM), 0.82 (SS). Thus, with only one exception (an α of 0.69 for CPV), all coefficients met the 0.7 threshold; however, a value of 0.69 could be deemed acceptable (Hair et al., 2014, p. 125). Moreover, as the reliability test showed that removing any of the individual items from the CPV set would not increase the α coefficient for CPV, a decision was made not to make any modifications to the scale. In the regression analysis model where PSM is the dependent variable, the four dimensions were indexed into one PSM variable.

Table 1. The items and dimensions of the PSM construct from the dataset being used.

Attraction to Public Service (APS)
I admire people who initiate or are involved in activities to aid my community
It is important to contribute to activities that tackle social problems
Meaningful public service is very important to me
It is important to contribute to the common good
Commitment to Public Values (CPV)
I think equal opportunities for citizens are very important
It is important that citizens can rely on the continuous provision of public services
It is fundamental that the interests of future generations are taken into account when developing public policies
To act ethically is essential for public servants
Compassion (COM)
I feel sympathetic to the plight of the underprivileged
I empathize with other people who face difficulties
I get very upset when I see other people being treated unfairly
Considering the welfare of others is very important
Self-sacrifice (SS)
I am prepared to make sacrifices for the good of society
I believe in putting civic duty before self
I am willing to risk personal loss to help society
I would agree to a good plan to make a better life for the poor, even if it costs me money

Source: Kim et al. (2013) and the dataset used

Job satisfaction was measured by a single item ordinal variable, capturing respondents' overall satisfaction with their current job on a 7-point scale, ranging from 0 (completely dissatisfied) to 6 (completely satisfied). Measuring *job satisfaction* on a single item scale is both acceptable (Wanous et al., 1997) and, in some instances, favored – e.g., when the underlying sample is comprised of heterogeneous groups of occupations (Oshagbemi, 1999, p. 400), as in the present case.

4.3.2. Independent Variables

The independent variables used in the analysis measured *transformational leadership*. In the questionnaire, the latter was operationalized as a multidimensional construct comprising three different items. These items were (1) “My immediate superior articulates and generates enthusiasm for our institution's vision and mission and objectives“; (2) “My immediate superior leads by

setting a good example”; and (3) “My immediate superior says things to make employees be proud to be part of the institution.”

It is thus clear that one of the limitations associated with the dataset used in the current case – and a common challenge in cases of secondary data use, in general – is the fact that it does not align in its entirety with the theoretical foundations the author focused upon previously; more specifically, there is only a partial consistency between Bass’s model and how the transformational leadership was operationalized in the study from which the currently used dataset is derived.

A further examination reveals there is a high overlap between all three items from the dataset and one dimension from Bass's model: *idealized influence* (see Table 2).

Table 2. Leaders’ characteristics under Bass’s *idealized influence* dimension and transformational leadership construct items from the dataset being used. A comparison.

IDEALIZED INFLUENCE	ITEMS IN THE QUESTIONNAIRE
Leader behaving as a role model	My immediate superior leads by setting a good example
Setting a vision and sense of mission	My immediate superior articulates and generates enthusiasm for our institution’s vision and mission and objectives
Instilling pride in followers	My immediate superior says things to make employees be proud to be part of the institution
Gaining respect, trust, and admiration	-

Source: Adapted by the author based on Bass (1990), Bass and Riggio (2006), and on data from the dataset used

The internal consistency (Cronbach's α) for the *transformational leadership* (measured in the dataset on the basis of three items) scored very high ($\alpha = 0.93$), and taken into account the good fit between Bass’s *transformational leadership* model items under the *idealized influence*

dimension and the items measuring *transformational leadership*, a decision was made to retain all three items for the purposes of measuring the respective construct in the following analysis.

Thus, *transformational leadership* was measured using three variables, capturing respondents' level of agreement as to whether or not their superior exhibits practices associated with this type of leadership.

Respondents answered all three items on a 5-point scale, ranging from 4 (strongly agree) to 0 (strongly disagree). The three items comprising the transformational leadership were not initially aggregated into a single index but kept separate in the beginning of the analysis, as each item captures unique aspects of the construct.

4.3.3. Control Variables

In addition to the study variables, two different sets of variables were included in the regression models as controls.

The first type of variables represents different *sociodemographic characteristics*. Previous research has shown that the level of PSM might be affected by a number of such characteristics, e.g., by age (Parola et al., 2019) and gender (Steijn, 2008), as well as by the length of organizational membership (Moynihan and Pandey, 2007). In a similar vein, the level of job satisfaction in the public sector has been found to be associated with gender (Steijn, 2004), and age (Bright, 2008; Kjeldsen and Hansen, 2018), but also with pay satisfaction (Ellickson and Logsdon, 2001) and with actual income earned (DeSantis and Durst, 1996). Thus, a decision was made to control for a set of demographic variables.

The controls included in models were the following:

Age. Age was measured as a continuous variable (number of years).

Gender. Measured as a nominal variable consisting of two categories, “females” and “males”.

Years in public sector. Measured as a continuous variable (number of years).

Responsibilities. Measured as a nominal variable, consisting of “management”, “technical-professional”, and “administrative support” categories. For the purposes of the analysis, all categories were converted into new dichotomous variables.

Contract type. Measured as a nominal variable, consisting of “permanent”, “temporary” and “other” categories. All categories were converted into new dichotomous variables.

Income. Income is a continuous variable categorized into quintiles, consisting of “highest”, 4th, 3rd, 2nd and lowest quintile. All respective categories were converted into new dichotomous variables.

The second set of variables used as controls were included with a rationale to capture (at least partly) the effects of *transactional type of leadership* levers and were entered into the regression models together with the demographic controls.

The following three items were used for this purpose:

1. “*I am dissatisfied with my salary*”
2. “*My work is closely supervised*”
3. “*If I engaged in misconduct at work, I would not face negative consequences*”

The statements above measured respondents’ level of agreement with each respective item; on a 5-point scale, all items represent a range from 4 (strongly agree) to 0 (strongly disagree). As the first and third statements were negatively worded in the original questionnaire distributed to the participants, their scales were reversed in the dataset before further analysis.

5. RESULTS

5.1. Descriptive Statistics

The means, standard deviations, Cronbach's α coefficients, extreme end points of the scales and the number of observations for the study variables are presented in Table 3. Compared to public service motivation (PSM) dimensions, job satisfaction and transformational leadership variables had higher standard deviations, indicating that the individual responses were more diverse for the latter.

Table 3. Descriptive statistics of the study variables used in the analysis.

	Mean	SD	α	Min	Max	n
PSM						
Attraction to Public Service (APS)	3.28	0.60	0.79	0	4	2471
Commitment to Public Values (CPV)	3.68	0.41	0.69	0	4	2561
Compassion (COM)	3.34	0.58	0.83	0	4	2620
Self-sacrifice (SS)	1.94	0.76	0.82	0	4	2355
JOB SATISFACTION	4.39	1.19		0	6	2652
TRANSF. LEADERSHIP			0.93			
Enthusiasm for vision and mission	2.37	1.16		0	4	2496
Setting a good example	2.58	1.18		0	4	2511
Instilling pride	2.25	1.20		0	4	2432

Source: the author

A significant finding is the low score for self-sacrifice dimension under PSM (mean = 1.94); on the other hand, the result is consistent with the findings of Vandenaabeele and Van de Walle (2008) when in an international comparison survey the Eastern Europe region scored the lowest with regard to self-sacrifice (Vandenaabeele and Van de Walle, 2008, p. 232). However, in the current case it is also possible to benchmark the results directly against the rest of the countries (Albania, Bangladesh, Brazil, Chile, Ghana, Kosovo, Malawi, Nepal and Uganda) that were part of the same

survey project from which Estonia's dataset was derived. A remarkable finding is that overall, in a 10-country comparison assessment of PSM, Estonia's result was the lowest among any of the countries (Meyer-Sahling et al., 2018b, p. 12).

5.2. The Results of the OLS Regression Analysis

In order to evaluate the relationships between variables in more detail and to test the proposed hypotheses, ordinary least squares (OLS) regression analysis was performed. As a result, 4 different regression models were developed¹. It was verified that the basic assumptions of OLS regression were met. Linearity and normality assumptions were tested by reviewing normal probability plots and examining the models' standardized residual histograms; in regard to the homoscedasticity requirement, a visual inspection of the scatterplots of standardized predicted values against the standardized residuals was carried out; finally, it was ensured multicollinearity should not be an issue (for all independent variables $VIF < 5$).

Table 4 shows the results of the regression analysis where public service motivation (PSM) was the dependent variable. First, Model 1 includes 2 sets of controls (*sociodemographic* characteristics and *transactional leadership* variables). In addition, in the next step, *transformational leadership* variables were entered into Model 2.

The results indicate that the strongest positive and also statistically significant relationship with PSM is found in one of the *transformational leadership* items (*generating enthusiasm for vision, mission and objectives*: $\beta = .130$; $p < .05$). Of the remaining *transformational leadership* variables, *instilling pride* has no statistically significant impact on PSM; the third item however (*setting a good example*) – has a significant effect on the dependent variable, but in the opposite direction ($\beta = -.113$; $p < .05$) than expected.

Of the included controls, several are statistically significant, but the relationships between independent variables and PSM are in all cases relatively weak. Agreeing with a statement that “*If I engaged in misconduct at work, I would face negative consequences*” is positively related to the

¹ The 4 models are presented in 2 different tables. In addition, (a) 2 separate models were created with transformational leadership variables being indexed – results not presented in tables reporting regression results, but described in the text; (b) 4 separate models were run where in each case a different PSM dimension was the dependent variable, results not reported.

dependent variable and significant in both, Model 1 ($p < .01$), and Model 2 ($p < .05$). *Age* is statistically significant ($p < .05$) in both models, but low β coefficient values indicate that only a weak relationship between *age* and PSM exists. *Satisfaction with salary* and agreement with a statement that “*My work is closely supervised*” are both positively associated with PSM (at $p < .05$ level, and only in Model 1).

Table 4. The effect of dependent variables on public service motivation (PSM), standardized linear regression coefficients.

	I model	II model
	<i>Controls</i>	<i>Controls</i>
Age	0.089*	0.074*
Gender¹		
<i>Female</i>	0.001	0.003
Years in public sector	0.004	0.012
Responsibilities²		
<i>Management</i>	0.064	0.060
<i>Technical-professional</i>	0.062	0.074
<i>Other</i>	0.045	0.055
Contract type³		
<i>Permanent</i>	-0.023	-0.019
<i>Other</i>	-0.009	-0.012
Income⁴		
<i>Highest quintile</i>	0.003	0.021
<i>4th quintile</i>	-0.008	0.002
<i>3rd quintile</i>	-0.040	-0.031
<i>2nd quintile</i>	-0.008	0.000
Satisfaction with salary	0.078*	0.039
Work closely supervised	0.073*	0.055
Misconduct consequences	0.093**	0.090*
		<i>Transformational leadership</i>
Enthusiasm for vision and mission		0.130*
Setting a good example		-0.113*
Instilling pride		0.112
Adjusted R2	0.028	0.045

* $p < .05$ ** $p < .01$ *** $p < .001$

Reference category: ¹ Male ² Administrative support ³ Temporary ⁴ Lowest quintile

The explanatory power of the two models is modest (adjusted R² values .028 and .045, respectively), with a minor change in adjusted R² after the *transformational leadership* variables were entered into the equation.

In order to be able to confirm or reject Hypothesis 1, stating that *transformational leadership* is positively associated with PSM, it was decided to aggregate the three *transformational leadership* variables into one index. The second regression model (shown on Table 4) was replicated, and the previous three individual items were replaced with one index in the new model. As a result, after controlling for the rest of the variables present in the model, the obtained value ($\beta = .118$) for the index variable confirms a positive and significant ($p < .001$) association between *transformational leadership* and PSM. Nonetheless, due to the fact that the relationship was not completely consistent in the expected direction (one *transformational leadership* variable showing a statistically significant negative value), Hypothesis 1 is only partially supported.

The results of the regression analysis predicting job satisfaction are shown on Table 5. Again, the models have been created step-wise: first, control variables were added (Model 1), followed by entering the *transformational leadership* variables into Model 2.

Of all the included variables, *salary satisfaction* has the largest positive effect on job satisfaction ($\beta = .374$; $p < .001$); the strength is decreased in Model 2 – after the addition of *transformational leadership* variables – but the relationship between *salary satisfaction* and the dependent variable nevertheless remains strong ($\beta = .266$), and significant (at the level of $p < .001$). However, the results show that *income* has no significant influence on job satisfaction.

The results also indicate that *age* is a significant predictor of job satisfaction. Older public servants tend to be more satisfied with their jobs than their younger counterparts ($\beta = .127$; $p < .001$). Age also remains statistically significant ($p < .001$) in the second model. Of the remaining controls, only one – *misconduct at work results in negative consequences*, is significant (but at $p < .05$ level and only in the first model); moreover, the relationship between this predictor and the dependent variable is weak already in Model 1.

The first model, containing only the controls, has an adjusted coefficient of determination (adjusted R²) value of .152. After entering the *transformational leadership* variables into the model, the explanatory power increased to .273. Two out of the three *transformational leadership* variables

are positively correlated to job satisfaction (*generating enthusiasm for vision, mission and objectives*: $\beta = .161$; $p < .01$ and *instilling pride*: $\beta = .213$; $p < .001$). The latter, measuring an agreement that the immediate superior “*says things to make employees be proud to be part of the institution*” has, after *pay satisfaction*, the strongest effect on public servants’ job satisfaction among the variables included in the model.

Table 5. The effect of dependent variables on job satisfaction, standardized linear regression coefficients.

	I model	II model
	<i>Controls</i>	<i>Controls</i>
Age	0.127***	0.106***
Gender¹		
<i>Female</i>	0.039	0.045
Years in public sector	-0.025	-0.007
Responsibilities²		
<i>Management</i>	0.090	0.081
<i>Technical-professional</i>	0.005	0.017
<i>Other</i>	-0.007	0.006
Contract type³		
<i>Permanent</i>	-0.030	-0.015
<i>Other</i>	0.017	0.016
Income⁴		
<i>Highest quintile</i>	-0.043	0.019
<i>4th quintile</i>	0.004	0.034
<i>3rd quintile</i>	-0.030	0.009
<i>2nd quintile</i>	0.000	0.022
Satisfaction with salary	0.374***	0.266***
Work closely supervised	0.030	-0.005
Misconduct consequences	0.069*	0.053
		<i>Transformational leadership</i>
Enthusiasm for vision and mission		0.161**
Setting a good example		0.012
Instilling pride		0.213***
Adjusted R2	0.152	0.273

* $p < .05$ ** $p < .01$ *** $p < .001$

Reference category: ¹ Male ² Administrative support ³ Temporary ⁴ Lowest quintile

Regression models were created with the purpose of exploring the associations between job satisfaction and independent variables, and, in relation to this case, to the hypothesized positive relationship between *transformational leadership* and job satisfaction (Hypothesis 2). As one variable out of three under *transformational leadership* did not appear statistically significant, a decision (although not strictly mandatory in terms of confirming the hypothesis) was made to replicate Model 2 (see Table 5), and apply one change in the model (the three *transformational leadership* variables were indexed). As a result, controlling for all other included variables, the *transformational leadership* index is clearly the strongest predictor of job satisfaction ($\beta = .358$; $p < .001$). Thus, the result provides strong support for Hypothesis 2.

6. DISCUSSION

To what extent does leadership actually matter? The results from the Estonian public sector context survey reveal that it matters quite a lot. This thesis will further contribute to the emerging understanding of the relevance and applicability of transformational leadership, specifically in a public sector context (Jensen et al., 2019, p. 24).

In the introduction of the thesis it was stated that the main purpose was to gain a better understanding of what effect transformational leadership practices have in relation to public service motivation and job satisfaction. It was further hypothesized that there would be a positive impact on the latter two. At a broader level, the results of the analysis provide evidence of such an effect and highlight the very important role administrative leaders play in fostering positive outcomes in their organizations.

On the other hand, the findings are not uniformly supportive for both proposed hypotheses. In particular, the first hypothesis, positing that transformational leadership is positively associated with PSM, found only partial support. The results show that, on aggregate, direct supervisors' transformational leadership behaviors influence their subordinates' level of PSM. Thus, public servants who perceive their supervisors as transformational leaders are also more likely to be public service motivated. After taking into account the individual components of transformational leadership, “generating enthusiasm for vision, mission and objectives” seem to have the strongest positive effect on PSM. “Instilling pride” has no statistically significant effect. The finding implying that “leading by setting a good example” has a negative effect on PSM is surprising and contrary to what was expected. Detailed interpretation of this result proves to be challenging; however, several possible reasons may account for this outcome.

Firstly, cultural context may account for some differences in how public servants could respond to transformational leadership behaviors across different countries. For example, there is some empirical evidence suggesting that the effectiveness of transformational leadership may not be as universal and that cultural differences indeed matter (Spreitzer et al., 2005). Secondly, and perhaps a more plausible explanation, is that the relationship between the observed variables may be more

complex, and not as “pure” as expected. The presence of any moderator variables not previously accounted for in the analysis may affect the relationship – for instance, some prior research has shown that transformational leadership only has a positive effect on PSM if there is no major underlying value conflict present (Krogsgaard et al., 2014). Taken as a whole, however, it is not possible to provide any conclusive explanation in regard to this finding.

The results indicate that older public servants and also those who tended to agree that “misconduct at work results in negative consequences” are more likely to have higher level of PSM – although the relationships between these variables and PSM were relatively weak. Of the remaining control variables in the second regression model, none proved to be statistically significant. This is an important finding because it also suggests that sociodemographic characteristics included in the analysis do not (except for age) in an Estonian context have a significant impact on PSM. At the same time, it is consistent with some previous research findings indicating that sociodemographic differences may not in general be important in explaining the variation of PSM (Moynihan and Pandey, 2007). The limited variance in PSM explained by both the study variables and controls suggests the presence of additional latent variables that could provide a more complete explanation of the variance in PSM. Comparison with previous research results proves to be difficult (and admittedly ambiguous) because of the measurement differences; but at least in one case known to the author, with roughly comparable measures, a considerably higher variance in PSM was explained by transformational leadership practices (Wright et al., 2012). From the perspective of the research question – transformational leadership as a whole indeed has a positive effect on subordinates’ level of PSM – however, such an effect is somewhat marginal. In other words, leaders do matter, but not much in increasing the level of PSM in the Estonian public sector context.

The results raise serious concerns about the low level of public service motivation present among public servants in Estonia. The question as to why this should be a concern can be answered from multiple perspectives. First, public servants with higher PSM may enhance the overall quality of service provision in the public sector – prior research has shown, for example, a positive relationship between the level of PSM and self-reported performance (Vandenabeele, 2009), altruism (Kim, 2006), and innovative behavior (Miao et al., 2018). Second, demographic changes, most notably population ageing, will result in reduced labor supply and increased competition over workforce. In a recent meta-analysis (Ritz et al., 2016) it was found that, among other positive outcomes, PSM tends to predict how likely an individual would choose a job in public sector (the higher the PSM, the stronger this tendency), and vice versa – that higher PSM weakens turnover

intentions. Thus PSM provides a unique competitive advantage to public sector organizations as employers (Vandenabeele 2013, 226), but arguably only to a degree this advantage has been realized.

Developing human resource management (HRM) policies that would take into account and address the needs that motivate employees to work in the public sector could be beneficial in this respect. This could potentially also lead to a better person-organization fit – i.e., in simplified terms, there will be a higher chance that employees will find what they are looking for in their work. Following the theoretical foundations of PSM in broader terms, altruistic and prosocial motives are prevalent in those who are seeking employment in the public sector. Consequently, it could make sense to establish a value system that would reflect those very motives in order to attract and also retain the workforce. This is particularly relevant in a competitive context, as, for example, many private sector organizations are developing corporate social responsibility (CSR) policies and programs on their own in order to increase employer attraction (EA) (Klimkiewicz and Oltra, 2017) – and such programs are designed to address the prosocial motivations of employees. Simply put, when public sector does not pay enough attention to establishing and articulating values that would attract people with a higher level of PSM, private sector organizations, most notably those putting emphasis on CSR (or on prosocial missions in some other way) might become more attractive employers of choice. The general idea that PSM should be better reflected in public sector HRM strategies and practices, not least for the better recruitment outcomes this promises, is not new (see Clerkin and Cogburn, 2012), and one of the implicit purposes for this is attracting “high PSM talent from the private sector” (ibid, p. 227).

Several features of the Estonian public service system make it considerably distinct from other countries, and a set of its particular characteristics contribute to structurally unfavorable conditions. For example, the lack of promotion of general public service values in Estonia, much of the discussion about the public sector workforce revolves around the need to ensure cost-efficiency, and, as an institution, public service has no distinct status in society. Building on the Estonian case described in earlier chapters, it was assumed that such unfavorable structural factors may result in relatively lower levels of PSM among the public servants. There is no direct proof to establish such a connection, but, as described, at minimum it is known that in a 10-country public service motivation comparison, Estonia scored the lowest (Meyer-Sahling et al., 2018b, p. 12). From an institutional perspective of PSM, this result is expected – as public sector institutions both embrace these values to a limited extent and manner, then the internalization of values would also be hindered. Transformational leaders are only partially successful in mitigating this effect –

in the Estonian case it is likely that these types of leader are rather focused in articulating the vision and mission of their respective institutions rather than communicating to employees “the real benefits that their contribution makes to society” (Moynihan and Pandey, 2007, 48) – that is to say, addressing the prosocial needs of public servants and emphasizing the importance of their work and its positive outcomes in a wider sense.

Future research could continue to explore the reasons behind the low public service motivation in Estonia and try to further map the determinants of PSM in order to give a more complete understanding of it – in this respect, qualitative research could prove particularly useful. Moreover, future studies may wish to advance the overall understanding of what motivates people to enter into the public service in Estonia (especially, but not limited to, those who are entering the service for the first time), and on what motives employees decide to leave.

With regard to the relationship between transformational leadership and job satisfaction, the results strongly support the second hypothesis – transformational leadership is positively associated with job satisfaction. In relation to other factors included in the analysis, the effect of the transformational leadership as a whole (aggregated variable) is the strongest on public servants’ job satisfaction (it is important to note that this result was obtained on the basis of merely three items measuring transformational leadership). Of the individual transformational leadership attributes, “instilling pride” and “generating enthusiasm for vision, mission and objectives” are particularly strong predictors of job satisfaction, while “leading by setting a good example” has no statistically significant effect. Thus, the results indicate that leaders who instill pride in their employees by saying things that make them proud to be part of the institution and generate enthusiasm for vision, mission and objectives are, in general, able to increase their employees’ job satisfaction. Previous research has consistently highlighted the importance of leaders in influencing job satisfaction. In a public sector employees’ cross-country survey by Taylor and Westover (2011) it was shown that work relations with managers tend to be one of the most important predictors of public servants’ job satisfaction across different countries; and in several Scandinavian countries, for example, this facet had the primary role relative to other factors in shaping employees’ job satisfaction (ibid, p. 745). The association between transformational leadership practices and job satisfaction was confirmed in a meta-analytic study by Dumdum et al. (2013) and the very significant impact of transformational leadership on job satisfaction has been shown to exist in public sector settings (Trottier et al., 2008).

When considering single independent variables, then salary satisfaction is the strongest predictor of job satisfaction – public servants who are more satisfied with their salary also tend to have higher levels of job satisfaction. However, it is noteworthy that there is no statistically significant association between income and the level of job satisfaction. Of the remaining controls in the second regression model, sociodemographic variables included, only age is significant – older public servants tend to be more satisfied with their jobs. This finding corresponds to an earlier study of job satisfaction among US federal employees where, with the exception of age (older employees had higher level of job satisfaction), other sociodemographic variables included in the analysis had no significant impact on job satisfaction (Ting, 1997); a more recent survey in the same target population (i.e., US federal employees) confirmed that demographic differences do not tend to be that significant in relation to job satisfaction (Lee et al., 2019).

The results of the present thesis highlight the particularly significant impact transformational leadership practices have in the Estonian public sector on public servants' job satisfaction. However, overall job satisfaction is a more multifaceted phenomenon than just a bare outcome of the leader-follower interactive relationship. By covering a variety of different facets in a specific job satisfaction study, future research could provide a more comprehensive understanding of the variety of factors and their relative significance in shaping job satisfaction among the Estonian public service.

The findings suggest that public sector leadership development would benefit from a more strategic focus – and aside from specific training and development, efforts should also be directed at ensuring the consistent leadership quality across different institutions and levels within the public sector. In the Estonian case, there currently exists an extensive leadership development system reserved only for senior public servants (only 100 positions, approximately) (Randma-Liiv et al., 2015, p. 381) and researchers have noted how this, in turn, has contributed to increased segregation within the wider public service itself (ibid, p. 388). From a contemporary viewpoint, leaders are made, not born. The assumption that leadership can be learned has been emphasized by many authors (e.g. Bass, 1990; Fernandez, 2008; Van Wart, 2013) – and leadership should not be considered in narrow terms – based on empirical results, Vandenabeele (2014) argues that transformational leadership in particular should not be reserved to senior leaders and executives only, as this type of leadership is effective “up to lower-level direct supervisor type of leaders” (Vandenabeele, 2014, p. 167).

While it could arguably be expected that leadership development and training programs would create a potential to improve some organizational outcomes (e.g. increase employees' job satisfaction), in the Estonian case there are serious doubts about the prospects that leaders themselves are able to significantly influence the public service motivation of their subordinates unless the problem of low public service motivation in Estonian public service can find a recognition and will be addressed as such, e.g., within a wider framework of public personnel policy agendas in Estonia. This development, however, is currently unlikely. A common view shared in Estonia perceives public sector close to any other employer; public sector employees also have comparable conditions and job security to those employed in the private sector. Moreover, there is no particular discussion about the need to attract and retain employees to public service, on the contrary, the necessity to reduce the number of public servants is clearly a more dominant theme in Estonia – it is seen as a cost-saving opportunity. An assumption was made earlier in the thesis that such unfavorable structural factors might have an overall significant negative effect on the level of PSM in the Estonian public service context – given the importance of the issue, this should be subject to continued research. Despite that the Estonian case is clearly distinctive, not all such structural factors are unique to Estonia. For example, during the post-socialist transition period, in many countries in the Central and Eastern Europe (CEE), in particular, NPM-type ideas have found considerable support (Jarvalt and Randma-Liiv, 2011, p. 44). This has resulted in the development of conditions which could be considered as unfavorable (e.g., the introduction of performance management systems in the public service has not been without problems in several countries in the region) (ibid). Thus, future research may not be limited to only Estonia, but the relative influence of such structural factors on PSM could be explored in the wider CEE region.

Some specific avenues for future research have already previously been covered. Now, some limitations of the thesis will be acknowledged along with more general suggestions for future research. Although practically a total population sampling was used in the original survey covering the central public administration institutions (with the exception of a few excluded institutions), the pool of respondents is not completely typical of the whole target population (e.g. there were disproportionately more female respondents in the survey). In the future, research ensuring that the results are representative of the entire target population across important sociodemographic groups (e.g., gender, age) might be desirable. The cross-sectional survey design delivers only a snapshot of a very short timeframe. Deploying longitudinal or repetitive surveys (e.g. every 2 or 3 years) could prove to be particularly useful. Finally, due to the use of secondary data from an

original survey that had a very wide focus, the transformational leadership measurement was limited to only three items. Future research could benefit from the use of a custom leadership-specific questionnaire containing both transformational and transactional components and their respective sub-items.

7. CONCLUSION

In recent decades, leadership research has attracted both an increasing level of interest and seen a fundamental shift from traditional to contemporary leadership theories – the most significant development being the emergence of the transformational leadership theory. Although throughout this change, a disproportionate focus has been on private sector leadership studies, more recently, the public sector leadership domain has also seen increased attention. The thesis contributes to this growing body of research in an Estonian public service context. Estonia is not only an interesting case to study because of the general post-socialist transition background, but also in respect to the administrative reform paths chosen throughout the entire post-independence period. For instance, its most recent public service reform from 2012 has been described as a “textbook case” of managerial NPM-oriented reform” (Pesti and Randma-Liiv, 2018, p. 151).

By relying in particular on the institutional perspective on PSM, as well as on job satisfaction theory, and by linking these two with the transformational leadership literature, the thesis set out to analyze the influence of transformational leadership practices on public service motivation (PSM) and job satisfaction. In line with the underlying theoretical assumptions, it was expected that transformational leadership is positively associated with both PSM and job satisfaction. Overall, the results of the analysis confirm the substantial positive impact leaders can have on their subordinates by exhibiting this type of leadership behaviors in Estonian public sector context. The effect of transformational leadership on public servants’ job satisfaction is particularly strong – those who perceive their leader as being transformational tend to also be more satisfied with their jobs.

In regard to PSM, transformational leaders are able to increase the level of PSM of their subordinates, but only to a very limited extent. The low level of PSM among Estonian public servants in a cross-country comparative context should attract future research interest. In addition, further analysis is needed to understand why transformational leadership has only a modest positive effect on PSM. The Estonian case is special when considering the whole set of structural

factors that could potentially have a negative effect on public service motivation. There is no emphasis on general public service values, the prosocial motivation of the public servants is not considered and addressed; also, public service has no distinct status in Estonian society – in general, public sector is almost regarded as any other private sector employer. It is widely advocated in Estonia that improving public sector productivity and cost-efficiency is necessary. The current assumption is that such unfavorable structural factors are dominating at a level that transformational leadership practices fail to mitigate the negative effects to an extent that results in a meaningful difference.

As the findings suggest that transformational leadership is both relevant and applicable in public sector context, this consequently highlights the need for comprehensive leadership development and training programs targeted to public sector managers. A commonly accepted view is that leadership practices can be learnt to an extent – thus, it is also important to ensure that such leadership development programs would not be reserved for senior public servants, but would equally be accessible to lower-level managers in order to ensure a consistent leadership quality across the entire public sector in Estonia. However, care should be taken when estimating the possible impact of such programs – coequally, the limitations should be considered. While leadership development and training has the potential to result in positive organizational outcomes, it is unlikely to have a significant compensatory effect on the low level of PSM in the Estonian public service unless this very problem itself finds explicit recognition and a subsequent strategic approach by policymakers.

SUMMARY IN ESTONIAN

ÜMBERKUJUNDAVA JUHTIMISE MÕJU AVALIKU TEENISTUSE MOTIVATSIOONILE JA TÖÖRAHULOLULE: EESTI JUHTUMI ANALÜÜS

Tauno Mändla

Juhtimisalaste uuringute ja kirjanduse kasv on viimastel aastakümnetel olnud märkimisväärne, kuid juhtimist on uuritud eelkõige erasektori kontekstis. Kaasaegsetest juhtimisteoreetilistest käsitlustest on üks olulisemaid ümberkujundava juhtimise teooria, mille kohaselt eristub ümberkujundav juhtimine tehingulisest juhtimisstiilist. Kui viimast iseloomustab organisatsiooni *status quo* säilitamise püüd ja mitmesuguste kontrollmehhanismide kasutamine, siis ümberkujundav juhtimine lähtub eelkõige pikaajalisest ning julgest visioniseerimisest. Juht on eeskuju, rõhk on alluvate julgustamisel, nende töö väärtustamisel ja loovuse soodustamisel. Enamik tänapäeva juhtimisteoreetikuid nõustub, et ümberkujundava juhtimisstiili suhteline osatähtsus on tehingulise iseloomuga juhtimispraktikate ees kõrgem.

Käesoleva magistritöö eesmärgiks on uurida ümberkujundava juhtimisstiili mõju töötajate avaliku teenistuse motivatsioonile ja töörahulolule Eesti avaliku teenistuse kontekstis. Nii ümberkujundav juhtimine kui avaliku teenistuse motivatsioon on Eesti, aga ka laiemalt Kesk- ja Ida-Euroopa riikides selgelt alauuritud. Eesti kaasuse teeb eriliseks ja selle uurimise vajalikuks antud töö ülesandepüstitust aluseks võttes mitte niivõrd üldine postsotsialistlik arengutaust ja transitsiooniga kaasnenud mastaapsed struktuursed muutused vahetult pärast taasiseseisvumist, vaid pigem hilisema ajajärgu avaliku teenistuse reformimisega seotud arenguteed ning tehtud sisulised valikud.

Töö koosneb järgnevatest põhiosadest: teoreetiline taust ja kirjanduse ülevaade, Eesti juhtumi taustakirjeldus. Järgnevalt püstitatakse hüpoteesid ja kirjeldatakse kasutatud uuringumetoodikat. Seejärel esitatakse analüüsitulemused, millele järgneb arutelu ja magistritöö kokkuvõte.

Võttes aluseks avaliku teenistuse motivatsiooni institutsionaalse perspektiivi ning töörahulolu teoreetilise käsitluse ja ühendades need ümberkujundava juhtimisstiili kirjandusega, töötas autor

välja hüpoteesid, mille kohaselt on ümberkujundava juhtimisstiili praktikate kasutamine positiivses seoses nii alluvate avaliku teenistuse motivatsiooni määra kui nende töörahuloluga. Empiirilise analüüsi läbiviimiseks kasutati lineaarset regressioonanalüüsi, kus sõltuvateks tunnusteks olid avaliku teenistuse motivatsioon ning töörahuolu ja sõltumatuteks tunnusteks ümberkujundavat juhtimist iseloomustavad juhtimispraktikad ning muud kontrolltunnused.

Analüüsil kasutatud teisesed andmed olid pärit avaliku teenistuse juhtimispraktikate mõjusid uurivast riikideülesest võrdlusuuringu projektist. Eesti andmed (n=3555) koguti veebiküsitlusega ajavahemikul mai-juuni 2017. Valimisse kuulusid keskvalitsuse erinevates institutsioonides töötavad ametnikud ja töölepingulised töötajad.

Analüüsitulemused kinnitavad ümberkujundava juhtimisstiili praktikate kasutamise ja alluvate töörahulolu vahelist tugevat positiivset seost. Sealjuures võrreldes teiste analüüsis kasutatud tunnustega on juhtimiskäitumise mõju töötajate töörahulolule kõige tugevam, sealhulgas suurema mõjuga kui on oma töötasuga rahulolu ja üldise töörahulolu vaheline seos. Töötajad, kes hindavad, et nende juht praktiseerib ümberkujundavat juhtimisstiili, kalduvad oma tööga olema ka enam rahul. Samas selgub tulemustest, et alluvate avaliku teenistuse motivatsioonile on sellistel juhtimispraktikatel küll positiivne mõju, ent väga piiratud ulatuses.

Magistritöö teoreetilises osas institutsionaalset perspektiivi aluseks võttes hinnati küll võimalikuks, et Eesti kaasust iseloomustavad struktuursed ebasoosivad tingimused (muuhulgas prosotsiaalsete avaliku teenistuse väärtuste mitterõhutamine, arutelud avaliku sektori kulutuste kokkuhoiu vajadusest ning ametnike arvu vähendamisest; samuti levinud arusaam, mille kohaselt on riik pigem kui iga teine tööandja) võivad avaliku teenistuse motivatsioonile potentsiaalselt mõjuda Eesti kontekstis negatiivselt - samas eeldati, et ümberkujundava juhtimisstiili praktiseerimine võib sellist negatiivset mõju vähendada. Tulemused osutavad selgelt, et Eesti avaliku sektori juhid ei tõsta märkimisväärselt oma alluvate avaliku teenistuse motivatsiooni.

Ühelt poolt näitavad tulemused kuivõrd oluline on osutada tähelepanu nii avaliku sektori tipp- kui keskastmejuhtidele suunatud arenguprogrammide loomisele ning juhtimiskompetentside arendamisele. Samas on selge, et sellistel programmidel on positiivsete väljundite saavutamise kõrval selged piirangud – on ebatõenäoline, et kaasaegsed juhtimispraktikad ning -kvaliteet suudaksid olulises ulatuses kompenseerida struktuurselt ebasoosivate tegurite mõju kontekstis, kus viimaseid ei käsitleta laiemalt avaliku teenistuse kui institutsiooni jaoks Eestis võimalike puudustena.

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