EMPLOYEES PERCEPTION REGARDING LEADERSHIP STYLES AND JOB SATISFACTION IN FEW SELECT ORGANIZATIONS OF SERVICE INDUSTRY

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Abstract

The current study examined the relationship between leadership styles (transactional, participative, transformational, and servant leadership style) and employee’s job satisfaction. The research indicated that job satisfaction is influenced by leadership styles and contributed to individual’s contentment on the job. The standardized questionnaire used in this study was distributed to a sample of 75 employees of Punjab State Co-operative bank and its 17 branches in Chandigarh. The t-test, Correlation and regression analysis (using stepwise method) was used to analyze the results. Multiple linear regression (using stepwise method) showed that transactional leadership style explained 37.8% change in job satisfaction. Transactional leadership was strongly related to job satisfaction than other leadership styles. Independent samples T test showed that there is not a significant difference between job satisfactions with regard to gender. It was suggested that leaders’ should demonstrate different leadership styles in varying situations and deal with followers’ individually to increase organizational effectiveness.

Keywords: Leadership; transactional, participative, transformational, and servant leadership style, job satisfaction

INTRODUCTION:

Research has demonstrated, to some degree, statistical associations between leadership styles and employee job satisfaction levels. Emery and Barker (2007) reviewed this association, and found that employees managed under a transformational leadership style displayed higher levels of job satisfaction against associated factors such as charisma and intellectual stimulation. Conversely, employees managed under a transactional leadership style, displayed higher levels of job dissatisfaction, against associated factors such as management by exception.

Globally, leadership plays a critical role in determining the attainment of the organizations goals. The term leadership means different things to different people. Although no ultimate leadership theories were based on the assumption that leaders were born not made; the great man and trait theory alluded to this in early discussions (Mann 1959; Stogdill, 1948). The leadership theories have since evolved to modern leadership theories like transformational,
transactional and values based leadership styles. Vera and Crossan (2004) discuss various
theories and confirm that in the past most theories paid attention to the characteristics and
behaviors of leaders that were deemed to be successful.
Nel et al. (2004) define leadership as the process whereby one individual influences others to
willingly and enthusiastically direct their efforts and abilities towards attaining defined group
or organisational goals.
Cole (2005) defines Leadership as a dynamic process whereby one man influences other to
contribute voluntarily to the realization and attainment of the goals objectives; aspiration of
values of the group that is representing the essence of Leadership is to help a group or an
Organisation to attain sustainable development and growth.
There are many types of leadership styles such as transactional, transformational, servant and
participative leadership. **Transactional leaders** need to understand their followers’ needs
and how to satisfy their needs and use contingency rewards to compensate them in order to
appreciate their contribution as exchange. **Transformational leaders** using inspiring and
encouraging approach to motivate their employees to become high performers and achieve
the goals that beyond their expectations and take the organizational goals as their cases.
**Servant leadership** is about serve others in the first place, then emphasize on the
achievement of organizational goals primarily and helping the followers to grow than to lead.
**Participative leadership** is about motivate and encourage their followers participative in the
process of decision making and contribute their ideas and seek their advices under
consideration of decision making, and can lead to inspire the innovation and creativity of the
team. The paramount factors that contribute to the organizations success are the different
leadership styles necessary to apply in different conditions and depend on the job satisfaction
toward organization and dedicate their effort to achieve the organizational goals.
This research has been talking about the effectiveness of some leadership styles like
transformational, transactional, servant and participative leadership on the Job Satisfaction
among employees in the banking industry. To study about the interrelationship for dependent
variable: Job satisfaction and independent variables: transformational leadership,
transactional leadership, servant leadership and participative leadership, and thus examine the
research questions and achieve the research objective to identify the relationship of dependent
variable and independent variables.

**REVIEW OF LITERATURE:**
Current study aims at establishing the relationship between various leadership styles and job
satisfaction in select service industry. Moreover it establishes that different leadership styles
have positive relationship with job satisfaction among the employees. Various studies have been conducted on Impact of leadership styles on Job Satisfaction of Employees in India as well as abroad.

**Leadership Styles:**
Leadership is the act of leading a group of people towards the attainment of a stated goal. It is the art of inspiring, influencing and motivating people to bring profitable change in the organization. It helps employees to respond in a common direction when they are influenced by their leaders (Dubrin, Dalglish, & Miller, 2006). Leader is a person who selects, trains and guides one or more followers and cause them to enthusiastically coordinate their efforts to achieve organizational objectives (Winston & Patterson, 2006). Transformational leadership was the focus of research in the past studies but some researchers have introduced different categorizations.

Leadership has widely definition by many researchers. Leadership is defined as the process in which the leader influence their followers or subordinates show their willingness and enthusiasm by contribute their efforts and abilities to achieve the organizational goals (Doyle & Smith, 2001; Lussier, 2006; Werner, 2001). According to Yukl (1994), leadership is also defined as the process of influence in the subordinate, lead and inspires the subordinate to accomplish the target, maintain cooperation among the group members and achieve the established mission and the support from the external source is obtained.

The presence of the leader is to motivate, directs, and influence others to accomplish specific tasks and expected to set the direction and values for the followers and organization and lead the subordinate to perform better and being efficient in order to achieve the organizational goals. According to Mulki, Jaramillo & Locander., (2006) further explain that employee work attitudes and behaviors is direct influence by the leadership style. Besides that, according to Ngodo (2008), there is mutual effect and reciprocal relationship between leader and subordinates because they have influence each other in the achievement of organizational goals.

For decades, leadership concepts have evolved from the transactional approach to participative, transformational, and servant behaviors. These leadership styles in many literatures are named as transactional, participative, transformational, and servant leadership style (Bateman and Snell, Daft and Marcic, DeCelles and Pfarrer, Kinicki and Williams, Krishnan, 2004; Stone et al., 2004).

The foundation of transactional leadership is an exchanging process between leaders and followers. Transactional leaders focus on the interpersonal transactions between managers
and employees; they motivates followers by exchanging rewards for high performance (Brain and Lewis, 2004; Chen, 2004; George and Jones). The two characteristics of transactional leadership are leaders using contingent rewards to motivate employees and leaders exerting corrective action only when subordinates fail to achieve performance goals (Kinicki and Williams). Transactional leaders consider management as a series of transaction in which leaders use their legitimate, reward, and coercive powers to give commands and exchange rewards for services rendered (Bateman and Snell, Wagner III and Hollenbeck). Transactional leaders focus on the present and are good at keeping organizations running smoothly and effectively. These leaders excel at traditional management functions, such as planning and budgeting, and generally focus on impersonal aspects of task performance (Daft, 1999). Transactional leadership resembles traditional task performance leadership style in the task focusing. Because transactional leaders are task focusing, they have stronger technical competence than cognitive and affective competence.

Transformational leaders have plenty of the behaviors and attributes of charismatic leaders. Both of them focus on intangible qualities such as vision, shared values, and ideas to build relationships (Daft, 1999). However, transformational leaders link the fulfillment of vision and the use of strategy to changes in the actual fabric and texture of organizational culture (Moxley, 2004). Transformational leaders may also engage in transactional leadership, for example, by rewarding high performers with high salaries (George and Jones,). But transformational leaders are distinguished by their special ability to bring about innovation and change by recognizing followers” and organization”s needs and concerns, helping members in the organization look at old problems in new ways, and encouraging members to question the status quo. They have the ability to lead changes in the organization”s mission, strategy, structure, culture, and to promote innovation in products and technology (Daft and Marcic,)

Attributes of servant leaders are close to the transformational leaders. However, servant leaders believe that organizational goals will be achieved on a long-term basis, by first facilitating the growth, development, and general well being of the individuals who comprise organizations (Stone et al.). Servant leaders focus on providing service to other people, meeting the goals of both followers and the organization, rather than to themselves (Kinicki and Williams, Russell and Stone). Servant leaders give things away, e.g., power, ideas, information, recognition, and credits, for accomplishments (Daft, 1998, Dennis and Winston, 2003). They value other people, share power, enhance others” self-worth, encourage participation, and unleash people”s creativity, full commitment, and impulse to learn (Daft
and Marcic.). Servant leaders help people to develop them then to strive and flourish. They share vision, gain credibility and trust from followers, and influence others (Farling et al., 1999).

Participative leadership is defined as the process of having a shared influence in decision making, by a leader and his or her subordinates (Koopman & Wierdsma, 1998). It is an important concept in research, policy, and organization practice (Durham, Knight & Locke 1997; Yukl, 2002). Although there is more research on participative leadership in organisations, there are few or none empirical studies that have been specifically directed toward ascertaining the impact of this leadership style on organisational culture (Yammarino & Naughton, 1992). It is also viewed as a relatively equal participation level in decision making within an organisation (Torres, 2000). Furthermore, scholars argue that participation in decision making needs some degree of agreement between the leader and organizational members on environmental factors.

**Job Satisfaction:**

Job satisfaction is a term used to describe how content an individual is with his work. It is a positive emotion about job and shows what makes people come to work (Ramayah, Jantan, & Tadisina, 2001). It is an important indicator of how employee feels about their jobs and predicts the work behaviors. For an organization, job satisfaction of its employee’s means that it is motivated and has commitment towards high level of productivity (Mehndiratta & Tripathi, 2012). It can be termed as an attitude towards job, satisfaction with supervisor, colleagues, pay and opportunities at job. It can vary from person to person and across geographical regions. To achieve job satisfaction, one must have optimistic approach, commitment and responsibility which are the result of values and belief system they follow (Ravri, Mirzaei, Kazemi, & Jamalizadeh, 2012).

**IMPACT OF LEADERSHIP STYLES ON JOB SATISFACTION:**

Leadership is the process where leader influences subordinate’s behavior to achieve organizational goals. Research has found that leadership has strong and positive influence on job satisfaction. Relationship between leadership styles and job satisfaction exists but it can vary from person to person, styles of leadership and dimensions of job satisfaction.

Amin, Shah, & Tatlah (2013) examined that an increased role of leadership can enable subordinates to be effective and increase their job satisfaction. In this way, members are able to perform better and can contribute in the quality and performance of the organization.

Voon, Lo, Ngui, & Ayob (2010) examined the organizations that have the ability of leadership and want their employees to experience job satisfaction must take initiative and
increase their capabilities to improve their performance by adopting the effective leadership style; leaders can affect employee’s job satisfaction, productivity and commitment.

Riaz & Haider (2010) in a study found that employees that feel high level of satisfaction when they are given advancement, increase in pay or provided with an opportunity for skill development. They are influenced by leadership when they think that their managers present a clear vision and innovative ideas to perform well.

Rizi, Azadi, Farsani, & Aroufzad (2013) believe that Leadership is viewed as an important predictor of job satisfaction. It transforms employees’ needs, interests and goals by motivating them to work for organizational goals rather than focusing on their personal goals. Organizational culture also affects job satisfaction of employees.

Chemers (2000), in his research showed that subordinates working in collectivist cultures derive job satisfaction from a leader who is participative and encouraging whereas subordinates working in individualistic cultures are satisfied with their jobs when they are given independence and opportunities by their leaders. Leadership frameworks can clearly explain the relationship between leadership styles and job satisfaction.

A review of relevant literature reveals various relationships theorists have generated from their own researches between transformational leadership and job satisfaction because of its productive, caring and innovative nature. (Bodla and Nawaz, 2010; Gill et al, 2010; Omar, 2011; Albion and Gagliardi, 2011; Mohammad et al., 2011; Nielsen, et al, 2009). And also reveals that among four leadership styles transformational leadership styles has positive relationship with job satisfaction among employees in the organizations.

NEED AND SIGNIFICANCE OF THE STUDY:

This study helps in understanding leadership from a new perspective and its effectiveness by employing different leadership frameworks. It will add to the existing body of knowledge by helping leaders to demonstrate different leadership styles in changing situations and affecting followers’ job satisfaction in a positive way. This study will help in understanding employee’s perceptions and satisfaction level that will indicate which leadership style is more preferable and has a positive impact on leader-follower relationship.

RESEARCH OBJECTIVE:

The purpose of this study is to ascertain the relationship between employee empowerment and employee Job satisfaction. More specifically this study pertains to the employees of PSCB, Chandigarh:

1) To study various leadership styles and job satisfaction among employees.
2) To find out whether there have any association between job satisfaction of employees with regard to gender.

3) To determine the relationship of various leadership styles with job satisfaction.

4) To determine the impact of various leadership styles and job satisfaction among the bank employees.

**CONCEPTUAL MODEL:**

<table>
<thead>
<tr>
<th>Leadership Styles:</th>
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<tbody>
<tr>
<td>➢ Transformational</td>
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<tr>
<td>➢ Transactional</td>
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<tr>
<td>➢ Servant</td>
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<tr>
<td>➢ Participative</td>
</tr>
<tr>
<td>Leadership style</td>
</tr>
</tbody>
</table>

![Figure 1: Conceptual Model](image)

**HYPOTHESES OF THE STUDY:**

**H1:** There is significant relationship between transformational leadership style and job satisfaction among employees.

**H2:** There is significant relationship between transactional leadership style and job satisfaction among employees.

**H3:** There is significant relationship between servant leadership style and job satisfaction among employees.

**H4:** There is significant relationship between participative leadership style and job satisfaction among employees.

**H5:** There is significant impact of transformational leadership style and job satisfaction among employees.

**H6:** There is significant impact of transactional leadership style and job satisfaction among employees.

**H7:** There is significant impact of servant leadership style and job satisfaction among employees.

**H8:** There is significant impact of participative leadership style and job satisfaction among employees.

**H9:** There is significant difference between job satisfaction with regard to gender.

**RESEARCH METHODOLOGY:**
**Research Design**

In order to achieve the objective of this study a quantitative research methodology was chosen.

The proposed study was designed as a causal study with statistical control research design to study the relationship between variables. The independent variables are four leadership styles and the dependent variable is job satisfaction.

**Sources of data:**

The data has been collected from both secondary and primary sources. The secondary sources include data from various journals, books, reports of reliable standards, online sources with appropriate bibliographic standards, previous researches related to the topic etc.

Primary sources include employees of Punjab state co-operative banks in Chandigarh provided with pre validated and structured questionnaire. The reason for choosing Punjab State Co-operative Bank for this research was that it has been awarded "BEST PERFORMANCE AWARD" by NABARD and NAFSCOB on number of occasions. It has 17 branches and 1 extension counter in the city of Chandigarh.

**Data Collection:**

Snowball Sampling was applied to collect the data from 17 branches of PSCB, Chandigarh. The data primarily comprises of employees working at various levels in PSCB, Chandigarh. Approximately 5 responses were gathered from each branch. The standardized questionnaire of Leadership styles and job satisfaction was used, consisting of two parts, First part containing demographic information and Second part consists of structured questions related to leadership styles and job satisfaction.

**Sampling and Size of Sample:**

The sampling method used in the study is Snowball Sampling. Data was collected from 85 respondents including both males and females out of which 75 respondents data were found to be useful, therefore a sample of 75 was taken in the study.

**Data Collection Tools:**

The description of the tests and materials used in the present study:

1. **Leadership styles scale:** The transformational leadership and transactional leadership style were adopted from Chiang (2012). To measure the servant leadership style from Liden et al., (2015). And from Kim and Hancer (2011) in order to measure the participative leadership style. Each style has 5 items.

2. **Job satisfaction scale:** this measure was developed by Schriesheim and Tsui (1980). It
uses six items to form an index that describes overall job satisfaction. The scale includes single questions to assess the degree of satisfaction with the work itself, supervision, co-workers, pay, promotion opportunities, and the job in general.

**Psychometric properties of scale:**
The internal consistency and reliability of the scale was measured using Cronbach Alpha. According to the Nunally, a Cronbach Alpha of 0.70 or higher is good but above 0.55 was acceptable (Nunally 1978). Cronbach Aplha for all the scales i.e Transformational, transactional, servant, participative leadership styles and job satisfaction were found to be 0.800, 0.686 ,0.746, 0.763 and 0.616 respectively.

The Cronbach Alpha values for all the dimensions range from 0.616 to 0.800, exceeding the minimum alpha of 0.55. Thus the dimension measures are deemed reliable.

**Analysis and Interpretation Of Results:**

**Relationship between Leadership styles and Job Satisfaction:**
Pearson correlation is worked out to see whether there is any relation between leadership styles and job satisfaction among the bank employees. The table 1 below shows that the correlation between different leadership styles and Job Satisfaction which indicates that there exists a positive relationship between Psychological Empowerment and Job Satisfaction at 1% level of significance. Hence **H1:** There is significant relationship between transformational leadership style and job satisfaction among employees is accepted (0.568).

**H2:** There is significant relationship between transactional leadership style and job satisfaction among employees is accepted (0.622).

**H3:** There is significant relationship between servant leadership style and job satisfaction among employees is accepted (0.532).

**H4:** There is significant relationship between participative leadership style and job satisfaction among employees (0.493).

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Jobsatsum</th>
<th>transformationalsum</th>
<th>transactionalsum</th>
<th>servatsum</th>
<th>participativesum</th>
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</thead>
<tbody>
<tr>
<td>Jobsatsum</td>
<td>Sig.</td>
<td>.568</td>
<td>.622</td>
<td>.532</td>
<td>.493</td>
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<tr>
<td>Transformationalsum</td>
<td>1</td>
<td>.000</td>
<td>.000</td>
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<td>(2-tailed)</td>
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<tr>
<td>Servant sum</td>
<td>Sig.</td>
<td>.856</td>
<td>.819</td>
<td>.712</td>
<td>.000</td>
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<tr>
<td>Transformationalsum</td>
<td>1</td>
<td>.000</td>
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<tr>
<td>(2-tailed)</td>
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</table>
Impact of four leadership styles on Job Satisfaction:

Regression method (using stepwise method) was used to examine the significant impact of the four leadership styles on job satisfaction among employees. The relationship among employee job satisfaction and four leadership styles is measured through regression analysis. The result of regression analysis reveals that the model is significant (p<0.05), Adjusted R-Square is 0.378 (Table 2) and F-statistics is 46.021 (Table 3). It is proved that there is positive and significant relationship between the dimensions of employee empowerment and job satisfaction. The value of R-Square shows the fitness of the model as Transactional leadership styles contributes 37.8% of employee job satisfaction.

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.622a</td>
<td>.387</td>
<td>.378</td>
<td>1.99719</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), transactionalsum

Table 2

For testing hypotheses H5, H6, H7 and H8, Multiple Linear regression was employed to see how leadership styles has significant impact on job satisfaction thus step wise method was used in multiple linear regression and the result showed that only transactional leadership styles has significant impact on job satisfaction among employees in the organization. The result given in table 2 tells us the model summary and it showed that only transactional leadership style has significant impact on job satisfaction and the adjusted R square come out to be .378 and (p<0.05)

This showed that 37.8% of job satisfaction among employees is explained by transactional leadership style.

ANOVAa
In table 3, p=0.000 hence which proves that there is significant impact of transformational leadership style on job satisfaction among employees.

Regression Equation:

\[ Y = a + b_1x_1+b_2x_2+b_3x_3 + \ldots + e \]

From table 4 the regression equation will be:

\[ \text{Jobsatisfaction} = 8.685 + .557(\text{transactional}) + e \]
From table 5 it shows that there is no significant impact between transformational, servant, participative leadership style on job satisfaction among employees. Hence from the above interpretation it shows that H5, H7 and H8 hypotheses are rejected and only H6 is accepted i.e there is significant impact of transactional leadership style and job satisfaction among employees is accepted as (p<0.05).

**Impact of Gender on Employee Empowerment:**

To check the Hypothesis, H9: There exists a relationship between gender and job satisfaction Independent sample T test is applied. The results show that there is no significant difference between male and female employees job satisfaction as the p-value is more than 0.05. This revealed that Hypothesis H9: There exists a relationship between gender and Job satisfaction is rejected.

**DISCUSSION AND CONCLUSION OF THE STUDY:**

The study aimed at assessing the relationship and impact of different leadership styles and job satisfaction among employees of Punjab state co-operative banks in Chandigarh. A sample of 75 employees of different managerial level was carefully studied using different standardized questionnaires. Many hypotheses were laid down for this purpose. The scoring was done according to the response option chosen by the participants and for analyzing purpose spss statistical tool was used in which correlation, multiple regression method (using stepwise method) and Independent samples t test was used for detailed findings.

From the above interpretation of results it was found a moderate positive relationship among four leadership styles and job satisfaction among employees in the PSCB, Chandigarh. Hence (P<0.05) therefore H1, H2, H3, H4 are accepted. It was also found that only transactional leadership style has significant impact on job satisfaction among employees. Therefore H5, H7 and H8 are rejected and only H5 is accepted.

It was also found that there is not a significant difference between job satisfaction across gender. Hence, H9 is rejected.

**LIMITATIONS OF STUDY:**

1. The study is restricted to Chandigarh only, hence, restricting the scope of study.
2. The study covers only employees of Punjab State Co-operative Banks.
3. There are other factors which influence the job satisfaction of the employees working in the organization which have not been considered in the study.

**CONCLUSION:**

The objective of the study was to determine the relationship and examine the significant impact of leadership styles on job satisfaction among the employees of Punjab State Cooperative Banks, Chandigarh. This research study has highlighted the influence of leadership styles on job satisfaction within the organization. It is believed that a dynamic and influential leadership style mix needs to be used in the organization to influence job satisfaction levels of employees and ultimately organizational success. Leadership is viewed as one of the fundamental drivers of organizational success for both now and the future. Organizational success is achieved through the willingness and active participation of satisfied employees. Therefore, the role of a leader is pivotal in maintaining this chemistry. It must also be borne in mind that other initiatives could be considered to influence job satisfaction levels. This study will assist leaders to better understand leadership qualities that act as drivers to enhance job satisfaction levels of employees, ultimately leading to organizational success.

**References:**


