

# Leadership Styles And Job Satisfaction In Commercial Banks of Pune

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## Abstract

For organisational effectiveness, job satisfaction of employees is imperative. In this respect, leadership style of managers play pivotal role to enhance the job satisfaction of employees. The researchers have used codified close-ended schedule to elicit information from commercial bank employees. They interviewed 100 employees of commercial bank (Leadership style scale adopted from Emmanuel Ogbonna and Lloyd C. Harris, August 2000). It includes thirteen variables on seven point scale ranging from one for very false to seven for very true. Job satisfaction scale was developed by Paul E. Spector (1994) has used which comprises 36 variables on seven point scale ranging from one for disagree very much to seven standing for neither agree nor disagree. The extracted data were analyzed. Chi square test was used to test the hypothesis that is, leadership styles and job satisfaction are independent. It was found that there is an association between leadership style and job satisfaction of employees of commercial banks.

Keyword: Leadership Style, Job Satisfaction, Commercial Bank.

## Introduction

Sometimes organisations face the problems of implementing new strategy and policy due to lack of support from employees and they may show resistance

to change. Traditional approach of manager's leadership styles may fail to get desired result from employees. Banking sector is a pure customer-oriented industry. Good image of bank depends on treating customers in right way, therefore, the researcher have decided to do research on the title of study. Leadership is the ability to persuade other to seek defined objectives. A sound leadership does not only help in achieving the long-term vision of organisation but also assists in building an overall indelible brand image. In the words of T. Warren, "Leader tries to convert mission into reality." He further states that leader conveys the clear goal, mission of the organisation to employees and thrive to change the attitude of employees, 'sometime lack of clear objectives of organisation gives rise to anxiety on the subordinate part. (Khan,1956).

Leadership style is the way in which a leader influences subordinates. Leadership style denotes the behavioural pattern of the leader, which bears on employee's attitude, perception about organisation, manager, and job satisfaction.

## Review of Literature

Following review of literature has directed to examine the association between leadership styles and job satisfaction of employees in organisation.

Leadership is an influence that is the art of process of influencing people so that they will strive willingly and enthusiastic towards the achievement of groups goals (Wehrich and Koontz, 2003).

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Leadership is the process whereby one individual influences other group member towards

attainment of defined organisational goals” (G.A. Yukl, 1989). In the words of Locke(1976), job satisfaction is “a pleasurable or positive emotional state resulting from the appraisal of job one’s job or job experience”(Saiyadain, 2010). Lack of proper behaviour of management can cause to dissatisfaction among the employees such as interpersonal relationship among the managers and his staff (Sengupta and Kamal, 2008). To achieve the organisational task or project, a leader can use paternalistic leadership style, which shows more concern to people as a parent-children relation, which yields better result (Giri and Santra., 2008). Paternalistic leadership style helps employees to accomplish team’s goals and objectives (Patrick Low Kim Cheng, 2006). Frequently changing leadership style to influence the employees might cause dissatisfaction among workers. Workers may doubt about competence of leadership of manager, therefore he should be cautious about using his leadership styles (Venkatachalam, 1980). If executive officer uses people-oriented leadership styles instead of task-oriented, it creates favourable employees’ perception about leader. It can also help to make organisation effective.(Okafar, 2008)

Path goal leadership theory lights on the importance of leadership styles with consistency with the sources of environmental structure or employees’ characteristics, which may avoid resentment and job dissatisfaction (P.Subba Rao,2000). Many research scholars provided “convincing proofs” that leaders importance lies in the success and the survival of the organisation, as the transformational leadership style has positive impact on employee satisfaction, productivity and organisational effectiveness. Manager should not adopt lazier-faire leadership styles to alleviate the challenges of globalisation and privatisation. The research proved that those managers who adopt transformational leadership styles enhance the satisfaction and extra-effort of the employees towards organisation effectiveness. Employees consider that leader is effective (Ahangar, 2009). Transformational leadership style is needed in public sector to inspire and motivate employees to raise their commitment level and create a vision for future. (Anu Singh Lather et al., 2010). It was found that transformational leadership style can effectively deal with these challenges, which help to build organisational commitment. (Ibrahim Sant Mertet

al., 2010). Job satisfaction, job involvement (i.e. work commitment) and job tensions have direct link with the leadership skills possessed by the manager or supervisors in the organisation (Rao et al.,1977). A leader should try to stir the imagination and emotion of the people which can maintain and the safeguard service of employees (Rath,2002).

## Research Methodology

Present study’s main aim is to examine the relationship between leadership styles and its impact on job satisfaction of employees. The study has undertaken a hypothesis that leadership style and job satisfaction are independent. The objectives prevailed in the study were, to study leadership style and its impact on job satisfaction of employee and to study perception of employees about job satisfaction. The pretested scales have been incorporated in the study. The study focused on commercial banking sector in Pune city. The study has focused on commercial banks and the leaders (managers)/branch head holding the position in the said branch. The analysis of the data has been done using statistical tools. Besides, to arrive at leadership styles, factor analysis has been brought in use. Two distinct codified close ended schedules were developed, one for bank managers and second for bank employees which were executed on 49 commercial banks managers and 100 employees. Commercial banks include public sector banks as well as private sector banks. Convenience sampling technique was used to select sample banks, managers and employees.

In present study leadership style scale has been adopted from Emmanuel Ogbonna and Lloyd C.Harris(August 2000).It includes thirteen variables on seven point scale ranging from one for very false to seven for very true. Job satisfaction scale was developed by Paul E. Spector (1994) 36 parameters have been executed. These parameters are divided into 9 groups. These groups are titled as pay, promotion, supervision, contingent award, fringe benefits, operating conditions, co-workers, nature of work and communication. These nine groups have same number of variables i.e. each group contains four variables, which depicts job satisfaction. Responses of respondents have been taken by using seven points scale ranging from 1 to 7, where 1 stands for disagree very much and 7 stands for neither agree nor disagree. Cronbach alpha of 13 items of leadership styles, denoting sample bank employees’ perception about sample bank managers leadership style,

measures to be .934 and employees' perception about job satisfaction measures to be .897. Since the Cronbach alphas found to be more than 0.7 to identify leadership style of bank managers, the factor analysis has been brought to use. Principal component method has been used to extract leadership style factors. Similarly the job satisfaction measurement was decoded as 0 to 3 as unsatisfied to highly satisfied. The leadership styles codes and job satisfaction codes are cross-tabulated to facilitate chi-square test.

## Data Analysis and Interpretation

The leadership score given by sample employees are converted into leadership style code, as shown in Table 1. Columns 2 to 4 give leadership style measurement and column 5 gives leadership style code. Column 6 gives qualitative leadership style. The satisfaction towards job measures on seven point scale which has been converted into code as given in column 8 and column 9, narrates the qualitative conversion of job satisfaction ranging from unsatisfied to highly satisfy.

**Table 1: Descriptive statistics of leadership style and job satisfaction.**

Sr.	1	2	3	Style Code	Leadership Style	Satisfaction Score	Sat Level Code	Satisfaction
Leadership Style								
1	2	3	4	5	6	7	8	9
1	-0.2	0.75	1.25	3	Instrumental	20	1	Mod Satisfied
2	1.4	3	2.5	2	Supportive	18	1	Mod Satisfied
3	0.4	0.75	1.75	3	Instrumental	17	1	Mod Satisfied
4	2	2	2.25	3	Instrumental	38	2	Satisfied
5	3	3	3	0	Undefined	-1	0	Unsatisfied
6	1.8	2.25	2	2	Supportive	-1	0	Unsatisfied
7	3	2.75	3	0	Undefined	14	1	Mod Satisfied
8	-1	-0.5	1.25	3	Instrumental	-24	0	Unsatisfied
9	0.6	1.25	1.5	3	Instrumental	-6	0	Unsatisfied
10	0.4	-1.25	0.75	3	Instrumental	1	1	Mod Satisfied
11	2	1	1.75	1	Participative	-1	0	Unsatisfied
12	1.4	1.75	1.25	2	Supportive	-6	0	Unsatisfied
13	2	1	1.5	1	Participative	4	1	Mod Satisfied
14	2.8	1.75	2	1	Participative	3	1	Mod Satisfied
15	1.8	0.75	1.5	1	Participative	5	1	Mod Satisfied
16	1.8	0.75	1	1	Participative	4	1	Mod Satisfied
17	2.2	2.75	2	2	Supportive	2	1	Mod Satisfied
18	3	3	3	0	Undefined	4	1	Mod Satisfied
19	0.8	0.75	1.25	1	Participative	-1	0	Unsatisfied
20	3	2.5	1.75	1	Participative	5	1	Mod Satisfied
21	1	2.5	2.5	0	Undefined	-24	0	Unsatisfied
22	2	3	2.75	2	Supportive	-27	0	Unsatisfied
23	-0.8	-0.75	-0.5	3	Instrumental	-2	0	Unsatisfied
24	0.8	0.5	1	3	Instrumental	9	1	Mod Satisfied
25	0.8	0.5	1.5	3	Instrumental	-13	0	Unsatisfied
26	2.8	3	3	0	Undefined	-6	0	Unsatisfied
27	2.4	1.5	1.75	1	Participative	23	1	Mod Satisfied
28	2.4	1.5	1.75	1	Participative	23	1	Mod Satisfied

Contd...

Sr.	1	2	3	Style Code	Leadership Style	Satisfaction Score	Sat Level Code	Satisfaction
	<i>Leadership Style</i>							
29	2	2	2	0	Undefined	22	1	Mod Satisfied
30	0.6	-0.5	-0.25	1	Participative	8	1	Mod Satisfied
31	0.6	0.5	0.75	3	Instrumental	9	1	Mod Satisfied
32	3	2.5	1.75	1	Participative	5	1	Mod Satisfied
33	2.4	1.5	1.75	1	Participative	23	1	Mod Satisfied
34	2.4	3	2.5	2	Supportive	-25	0	Unsatisfied
35	2.6	2.75	2.75	0	Undefined	-12	0	Unsatisfied
36	1.6	1.75	2.25	2	Supportive	62	2	Satisfied
37	0.6	-0.5	2	3	Instrumental	38	2	Satisfied
38	2.6	2.5	3	3	Instrumental	1	1	Mod Satisfied
39	3	3	3	0	Undefined	-1	0	Unsatisfied
40	2.8	3	3	0	Undefined	-6	0	Unsatisfied
41	1.8	1.25	2	3	Instrumental	-25	0	Unsatisfied
42	3	2.5	1.75	1	Participative	5	1	Mod Satisfied
43	3	2.5	1.75	1	Participative	5	1	Mod Satisfied
44	2.8	3	3	0	Undefined	-6	0	Unsatisfied
45	3	3	3	0	Undefined	-6	0	Unsatisfied
46	2.4	1.5	1.75	1	Participative	23	1	Mod Satisfied
47	3	2.5	1.75	1	Participative	5	1	Mod Satisfied
48	2.8	3	3	0	Undefined	-6	0	Unsatisfied
49	3	2.5	1.75	1	Participative	5	1	Mod Satisfied
50	2.8	3	3	0	Undefined	-6	0	Unsatisfied
51	-0.8	-0.75	-0.5	3	Instrumental	-2	0	Unsatisfied
52	2.8	3	3	0	Undefined	-6	0	Unsatisfied
53	-0.8	-0.75	-0.5	3	Instrumental	-2	0	Unsatisfied
54	1.8	1.25	1.75	1	Participative	-25	0	Unsatisfied
55	2.4	1.5	1.75	1	Participative	23	1	Mod Satisfied
56	0.8	1.25	2	3	Instrumental	-25	0	Unsatisfied
57	2.4	1.5	1.75	1	Participative	23	1	Mod Satisfied
58	3	2.5	1.75	1	Participative	5	1	Mod Satisfied
59	2.8	3	3	0	Undefined	-6	0	Unsatisfied
60	1.8	1.25	1.75	1	Participative	-25	0	Unsatisfied
61	2.4	1.5	1.75	1	Participative	23	1	Mod Satisfied
62	0.8	1.25	2	3	Instrumental	-25	0	Unsatisfied
63	1.8	1.25	2	3	Instrumental	-25	0	Unsatisfied
64	3	3	3	0	Undefined	49	1	Mod Satisfied
65	3	3	3	0	Undefined	108	3	Highly Satisfied
66	2.6	3	3	0	Undefined	95	3	Highly Satisfied
67	2.2	2.25	3	3	Instrumental	77	3	Highly Satisfied
68	3	3	3	0	Undefined	67	2	Satisfied
69	1.2	-0.25	2	3	Instrumental	60	2	Satisfied

Contd...

Sr.	1	2	3	Style Code	Leadership Style	Satisfaction Score	Sat Level Code	Satisfaction
	Leadership Style							
70	2.6	3	3	0	Undefined	95	3	Highly Satisfied
71	1.2	#N/A	0.25	2	Supportive	-8	0	Unsatisfied
72	1.8	0.75	1.75	1	Participative	2	1	Mod Satisfied
73	3	3	3	0	Undefined	-1	0	Unsatisfied
74	3	3	3	0	Undefined	23	1	Mod Satisfied
75	3	3	3	0	Undefined	4	1	Mod Satisfied
76	0.8	1.75	2	3	Instrumental	20	1	Mod Satisfied
77	-0.4	-0.25	1.5	3	Instrumental	20	1	Mod Satisfied
78	3	3	2	0	Undefined	-4	0	Unsatisfied
79	2	2	2	0	Undefined	-2	0	Unsatisfied
80	0.8	1	1.25	3	Instrumental	-18	0	Unsatisfied
81	3	2.75	2	1	Participative	62	2	Satisfied
82	1.8	1.25	1.75	1	Participative	-25	0	Unsatisfied
83	3	2.5	1.75	1	Participative	5	1	Mod Satisfied
84	3	3	3	0	Undefined	67	2	Satisfied
85	-0.2	0.75	1.25	3	Instrumental	20	1	Mod Satisfied
86	0.4	-1.25	0.75	3	Instrumental	1	1	Mod Satisfied
87	3	3	3	0	Undefined	-1	0	Unsatisfied
88	0.2	3	2.75	2	Supportive	67	2	Satisfied
89	1.6	1.5	2.25	3	Instrumental	0	1	Mod Satisfied
90	1.4	1.5	2.25	3	Instrumental	-6	0	Unsatisfied
91	2.4	3	3	0	Undefined	74	3	Highly Satisfied
92	2.8	3	1	2	Supportive	49	2	Satisfied
93	3	1.5	0.75	1	Participative	67	2	Satisfied
94	-1	-0.5	1.25	3	Instrumental	-24	0	Unsatisfied
95	-0.8	0	-1	2	Supportive	-18	0	Unsatisfied
96	2.4	1.75	2.25	1	Participative	-10	0	Unsatisfied
97	0.8	0.5	1.25	3	Instrumental	7	1	Mod Satisfied
98	2	2	2	0	Undefined	65	2	Satisfied
99	2	1.25	2.75	3	Instrumental	56	2	Satisfied
100	2.4	3	3	0	Undefined	62	2	Satisfied
				Total	Undefined	30	41	Unsatisfied
					Participative	29	41	Mod Satisfied
					Supportive	11	13	Satisfied
					Instrumental	30	05	Highly Satisfied

Source: (Compiled by Researchers)

Table 1 shows that around 30 sample employees were found to be undefined about leadership style i.e. the responses given for leadership style by them could not conclude the exact leadership style. 29 samples perceived leadership to be participative followed by 11 perceived

supportive and 30 perceived instrumental. As far as job satisfaction is concerned, 41 samples were found to be unsatisfied whereas 41 found to be moderately satisfied. 13 are satisfied and 5 are highly satisfied.

**Table 2: Cross Tabulation of Leadership Styles and Job Satisfaction**

		Job Satisfaction				Total
		Unsatisfied	Mod. Satisfied	Satisfied	Highly Satisfied	
Leadership Styles	Undefined	16	6	4	4	30
	Participative	6	21	2	0	29
	Supportive	6	2	3	0	11
	Instrumental	13	12	4	1	30
	Total	41	41	13	5	100

## Testing of Hypothesis

Hypothesis set to test for this study is, leadership styles and job satisfaction are independent.

Table 3 shows the Chi-square test of leadership style codes and job satisfaction score codes goodness of fit.

**Table 3: Chi-square test of leadership style and job satisfaction.**

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.067	9	.003
Likelihood Ratio	25.855	9	.002
Linear-by-Linear Association	.306	1	.580
N of Valid Cases	100		

Source: (Compiled by Researchers)

Table 3 shows the Pearson Chi-square value is 25.06 at 9 degrees of freedom; at 95% level of confidence the 'p' value 0.003 reveals the test is significant. Hence, null hypothesis is rejected and alternative hypothesis i.e. leadership styles and job satisfaction are associated is accepted.

## Discussion

The study reveals that around 30 samples of bank employees are found to be undefined about leadership style i.e. the responses given for leadership style by them could not conclude the exact leadership style. 29 sample employees perceived leadership to be participative leadership style, followed by 11 sample employees perceived supportive leadership style and 30 perceived instrumental leadership styles.

It shows that majority of sample employees agreed that majority of bank managers exercise the instrumental leadership style and participative leadership style followed by supportive leadership style. As far as job satisfaction is concerned, 41 sample employees were found to be

unsatisfied whereas 41 sample employees found to be moderately satisfied. 13 sample employees are satisfied and 5 sample employees are highly satisfied. It shows that majority of sample bank employees' opinions inclined towards satisfaction about leadership style of sample bank managers of commercial banks.

The hypothesis, 'Leadership styles and job satisfaction are independent' is tested using Chi-square test. The test reveals Pearson Chi square value is 25.06 at 9 degrees of freedom; at 95% level of confidence the 'p' value 0.003 reveals the test is significant. Hence, the null hypothesis is rejected and alternative hypothesis i.e. leadership styles and job satisfaction are dependent is accepted.

## Conclusion

For effective organisation, involvement of employees in organisation is essential. To remain competitive in 21st century, organisations require that managers should possess leadership qualities to get work from employees. Today's organisations' success is determined on the basis of employees' positive perception about

job, attitude towards work, loyalty and commitment etc. It is revealed that there is a positive relationship between boss leadership style and job satisfaction of employees. Managers can enhance the level of job satisfaction by adopting right leadership styles according to situation, demand of work and attitude or perception of employees towards organisation.

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