

Leadership Styles and Job Satisfaction among Employees: A study of Women Leaders in J&K Service Sectors

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Abstract

Organisations are social systems where human resources are the most important factors for effectiveness and efficiency. Organisations need effective managers and employees to achieve their objectives. Leadership is a process by which a person influences others to accomplish an objective and plays a crucial role in many professions, such as banking, education, healthcare, insurance service jobs. Infact, leadership styles are one of the important factors that have the prospective to improve the employee satisfaction and performance. The purpose of this research paper is to examine the relationship between leadership styles and job satisfaction among of 842 subordinates and 421 their respective supervisors. Structural Equation Modeling is used to test the hypothesised relationship. The results revealed that transformational style and democratic style have a positive impact on job satisfaction but transactional style and laissez faire style have a negative impact on job satisfaction. To enhance skills of the employees, the study suggested that firms who want to adopt the job satisfaction must resource their initiatives and increase the capabilities that should be given serious attention by organisation aiming to be world class.

Keyword: Leadership Styles, Job Satisfaction, Women Leaders

Introduction

Effectiveness of an organisation depends upon relationship between leader styles and job satisfaction among employees. An effective leadership style used

by leaders in an organisation is proficient in providing motivational stimulus and direction to their employees to achieve the organisational mission and results in job satisfaction. Job satisfaction results in attracting and retaining the qualified employees in the organisation. In order to determine the job satisfaction, leadership style plays a key role (Suliman Ibraheem, Hussein, & Ayat Mohammad, 2011). In the frame of organisational culture, leadership styles were found to be likely to encourage more breadth in defining job satisfaction and increase the measures of job satisfaction across the organisation.

Women leaders were believed to be a new source of leadership talent because of their organisational skills, their ability to share, communicate and listen to the needs of others which results in employee's job satisfaction. In countries like United States, 62% of women workers have entered the paid labour force (U.S. Bureau of Labour Statistics, 2012) and in India, the percentage of women working at managerial positions reaches to 18%. Women working in Indian telecommunication sector come to be 50% whereas in banking sector, 86% managerial positions were held by women (Tandon, 2006). The upgrading role of woman leaders and her contribution in society are stem from the belief that improving the situation of women leaders working as a key support for the community social development improvements (Al-Shiahbi, 2002).

Conceptual Framework and Review of Literature

Leadership style connotes the interaction between leaders and their followers which is most important in terms

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of enhancing employees' efficiency and satisfaction. Leadership style is considered as a major factor that influences the performance of organisation, managers and employees (Hunjra, Chani, Aslam, Azam, & Rehman, 2010). Transactional leadership style were mostly adopted by males which includes competitiveness, hierarchical authority, high control for the leader and analytical problem solving while women were supposed to be a transformational leader (Jogulu & Wood, 2006; Kennedy & Anderson, 2002; Saari and Judge, 2004; Thamrin, 2012; Riaz, Ramzan, Ishaq, & Akram, 2012). Eagly and Johannessen (2001) found that women adopt democratic leadership styles and participative and men adopt autocratic and directive leadership styles. Participative leadership style among women is associated with increased feelings of empowerment, job satisfaction (Kim & Mauborgne, 2005; Yoder, 2001) and performance (Kim & Mauborgne, 2005; Hamidifar, 2009; Jaroslav, 2013). Women adopt participative leadership style as it is more effective than other styles to obtain employee job satisfaction and shows more concern for employee problems at work (Kellerman, 2003; Bennett, 2009; Elshout, Scherp, & Cornelis, 2013 found in their study that laissez faire leadership is not positively related to employee satisfaction and performance.

Hypothesis Development

Women comprise a large segment of the managerial talent across the globe, but their representation at top level managerial positions in business and public administration, is very low. The leadership prospect for women managers is a critical issue in gender equality and remains a researchable proposition. The present review provides theoretical information on relationship between women leadership style and employee's job satisfaction. Women differ in their leadership styles as they tend to work better in complexity, are better listeners and more emotionally intelligent but the presence of women at senior position is quite few (Callahan, Hasler, & Tolson, 2005; Chow, 2005; Jogulu & Wood, 2006). Pounder and Coleman (2002) in their study recognised a number of reasons for low representation of women in leadership positions such as dormant favouritism male dominance in educational administration, women's own decision not to apply for promotion for a variety of reasons. Oplatka (2006) also recognised that lack of necessary aspirations, lack of attentiveness, fear of disappointment, job-family

conflicts, lack of motivation, low involvement, and lack of competitiveness were considered to be obstacles in reaching the position of leadership positions. Majority of the researchers after empirically investigation found positive impact of leadership styles on the employee job satisfaction (Long, Mardhia, & Hock, 2014). Ostroff (1992) analysed that there exists a positive and significant relation between satisfied employees and their leaders, as healthy relation between them results in healthy atmosphere in the organisation. Moreover, both transformational leadership and transactional leadership result in higher employee satisfaction as compared to other leadership styles (Bennett, 2009).

Thus, based on the previous literature, we hypothesised that:

H1: Transformational style affects satisfaction of employees.

H2: Transactional style affects satisfaction of employees.

H3: Laissez- faire style affects satisfaction of employees.

H4: Democratic style affects satisfaction of employees.

Research Design and Methodology

Generation of Scale Items and Data Collection Forms

Primary data based on the first hand information were collected through self-modified and well-structured questionnaire. Data were collected from 421 women working at various senior positions comprising 193 (public & private banks), 99 (public & private hospitals, 50 (public & private colleges), 79 (public & private insurance co.) in Jammu city were contacted to collect the data by using judgement sampling technique. Secondary sources investigated were books, newspapers, and relevant journals. The questionnaires consisted of three sections viz., demographic profile, items about various dimensions of transformational style, transactional style, laissez faire style, democratic style, and employee satisfaction scale. Items in the questionnaire were designed on five-point Likert scale to facilitate measurement and scores of 5, 4, 3, 2, and 1 were used to represent the answers to mean ranging from 'Strongly agree' (5) to 'Strongly disagree' (1).

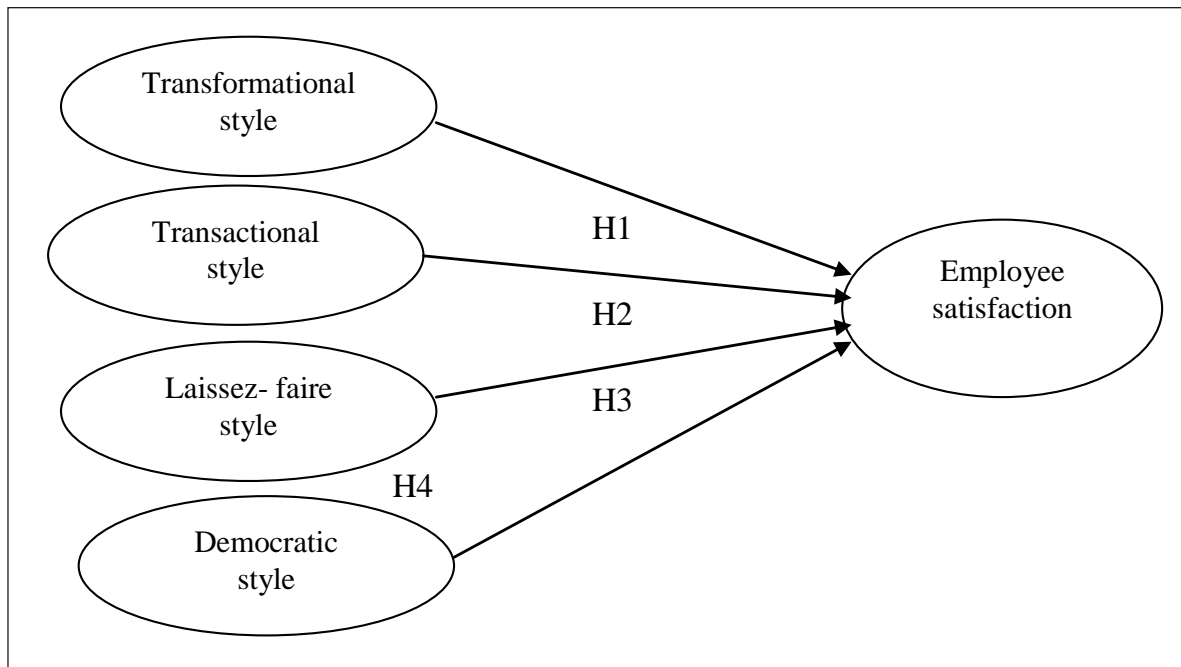


Fig. 1. Conceptual Model

Table 1 Details Constructs and Sources of Item Generation

S.No	Construct/ Dimensions	Source of information
A	Transformational style	Dubinsky & Yammarino, 1995; Long <i>et al.</i> , 2014; Raja & Palanichamy, 2011; Singh, 2008
B	Transactional style	Howell & Avolio, 1992; Bass, 1985; Rohmann & Rowold, 2009;
C	Laissez faire style	Lok and Crawford, 2004; Ogbonna & Harris, 2000; Bennett, 2009; Khan, Muhammad, & Muhammad, 2012
D	Democratic style	Eagly, 2001; Bhatti, Maitlo, Shaikh, Hashmi, & Shaikh, 2012; Maqsood, 2013;
E	Employee satisfaction	Dvir, Eden, Avolio, & Shamir, 2002; Ahmed, Ahmad, & Ali Shah, 2010; Ali and Haider, 2012;

Table 2 Data Reliability and Internal Consistency

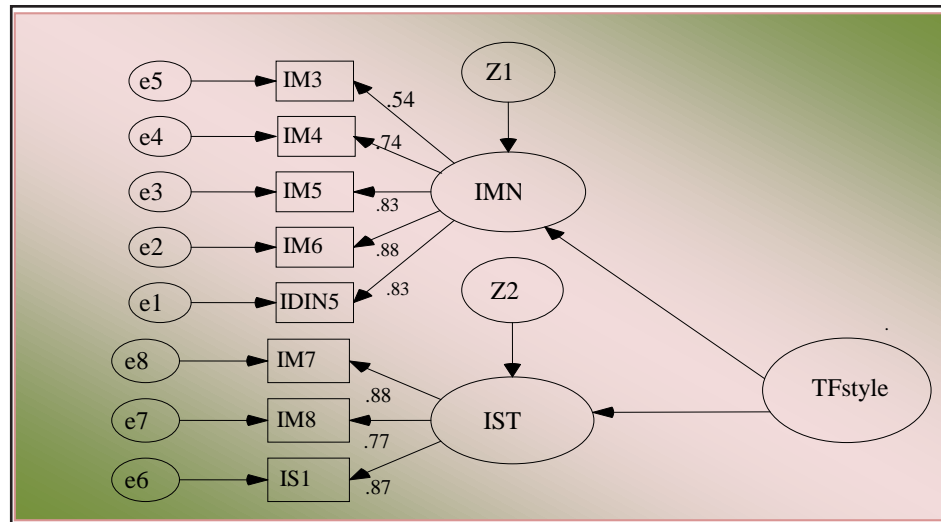
Variables	Mean scores	Standard deviation	Cronbach's alpha	Composite reliability
Transformational style	3.45	1.04	0.746	0.721
Transactional style	3.40	0.76	0.608	0.656
Laissez faire style	3.28	1.12	0.728	0.712
Democratic style	3.55	0.92	0.954	0.781
Employee satisfaction	3.49	1.02	0.965	0.959

Data Analysis

The multivariate data reduction technique of factor analysis was carried with Principal Component Analysis method along with orthogonal rotation procedure of

varimax for summarising the original information with minimum factors. The statements having factor loading less than 0.5 and eigen value less than 1.0 were avoided for the successive analysis (Hair, Anderson, Tatham, & William, 2006). The data were reduced by considering anti-image correlation, extracted communalities and rotated component matrices. Furthermore, internal consistency tests which are conducted by means of Cronbach's alpha using SPSS statistics and it is counter check by calculation of composite reliability using SPSS Amos are shown in Table 2.

A two-step approach to structural equation modeling (SEM) using AMOS was applied as suggested by



Key: TFstyle- Transformational style, IMN (Inspirational motivation& inspirational motivation) & IST (Intellectual stimulation) are the observed variables, IM3-IM8, IDIN5and IS1are the indicators and e1-e8 are the error terms

Fig. 2. Measurement Model of Transformational Style

Anderson and Gerbing (1988). CFA was conducted in step one to assess the proposed measurement model fit and construct validity while step two aimed at developing and estimating the structural model for testing the significance of theoretical relationship. The results of CFA produced fitness of the model as under:

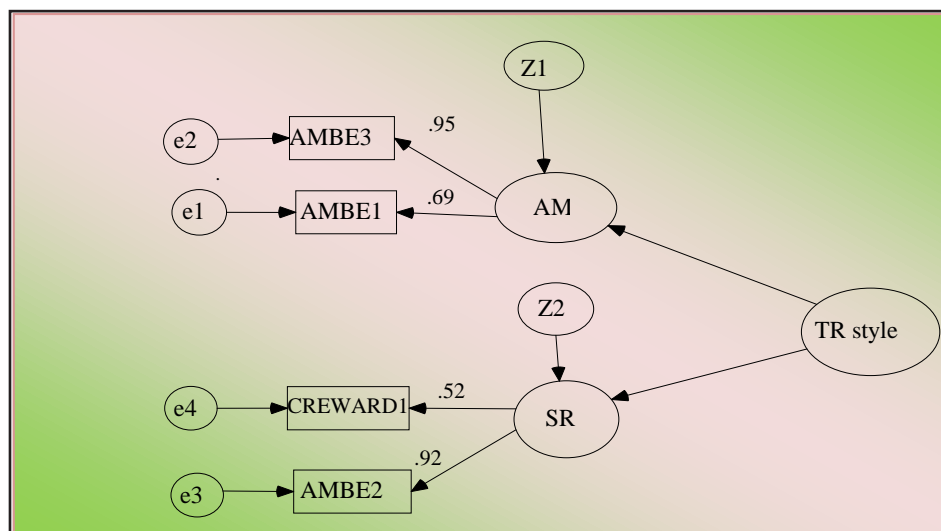
Transformational Style

This construct consisted of two factors namely, ‘Inspirational motivation & inspirational motivation & Intellectual stimulation’. The different fit indices

evaluated the fitness of the model and the results show that the model fits the data well as CMIN/DF = 3.449, GFI = .998, AGFI = .975, NFI = .999, TLI = .992, CFI = .999 and RMSEA = .055.

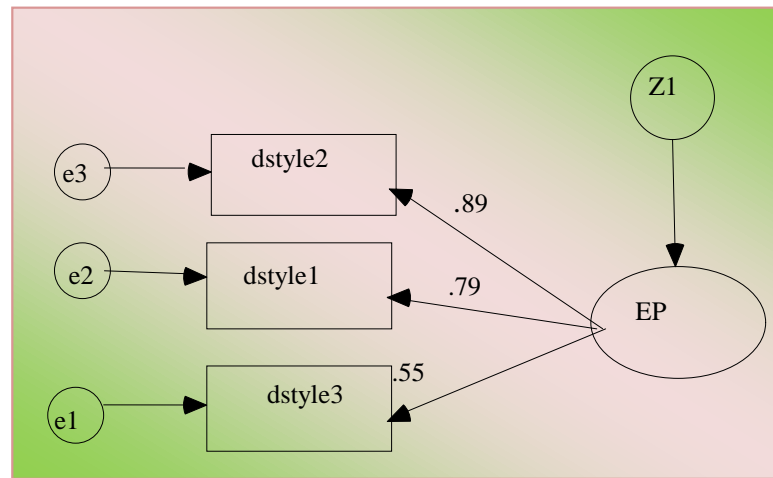
Transactional Style

The different fit indices evaluated the fitness of the model and the results show that the model fits the data well as CMIN/DF = 1.253, GFI= 0.999, AGFI= 0.985, CFI=0.999, RMR=0.002 and RMSEA=0.025.



Key: TR Style- Transactional Style, Am (Active management) & SR (Suitable rewards) are the observed variables, AMBE3- AMBE1, CREWARD1 and AMBE2 are the indicators and e1-e4 are the error terms

Fig. 3. Measurement Model of Transactional Style



Key: EP- Employee participation, dstyle1- dstyle3 are the indicators and e1-e3 are the error terms)

Fig. 4. Measurement Model of Democratic Style

Democratic Style

This model yielded good model fit results as CMIN/DF = 1.937, GFI = 0.997, AGFI = 0.982, NFI = 0.996, TLI = 0.993, CFI = 0.998 and RMSEA = 0.047. All regression weights are above 0.50, thus, it becomes clear that all measured variables significantly contributes to this construct.

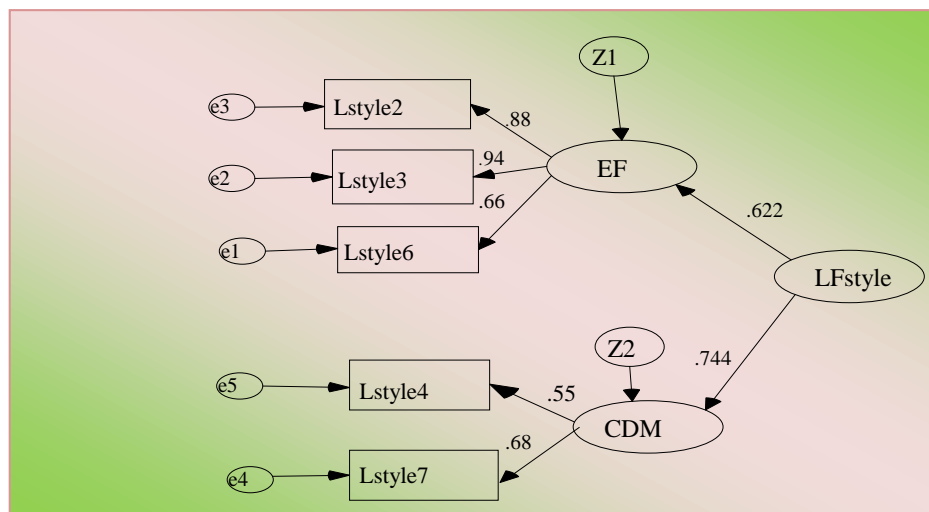
decision making’ (2 items) depicts CMIN/DF = 2.141, GFI = 0.996, AGFI = 0.970, NFI = 0.995, TLI = 0.986, CFI = 0.997 and RMSEA = 0.052.

Relationship between Leadership Styles and Employee’s Job Satisfaction: Structural Equation Modeling (SEM)

Laissez Faire Style

Laissez faire style construct which consisted of two factors namely, ‘Employee freedom’ (3 items) and ‘Collective

Structural Equation Modeling (SEM) was used to analyse the hypothesised relationships among experiential and embryonic variables which is better than other regression models by using multiple independent and dependent

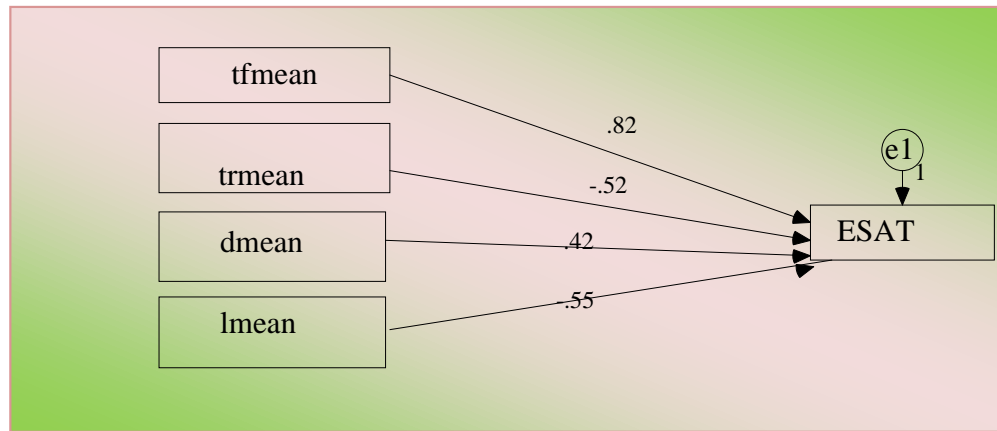


Key: LFStyle- Laissez faire style, EF (Employee freedom) & CDM (Collective decision making) are the observed variables, Lstyle2-Lstyle7 are the indicators and e1-e5 are the error terms

Fig. 5. Measurement model of laissez faire style

Table 2 Model Fitness

<i>I</i>	<i>CHI-SQ</i>	<i>RMR</i>	<i>GFI</i>	<i>AGFI</i>	<i>NFI</i>	<i>CFI</i>	<i>RMSEA</i>
Model	1.735	0.022	0.924	0.953	.963	0.933	0.062



Key: Tfmean (Transformational style), Trmean (Transactional style), Dmean (Democratic style), Lfmean (Laissez faire style), e1 is the error term of manifest variable

Fig. 6. Hypotheses Testing through SEM

variables. By means of SEM, we examined significant relationships between the various variables. The goodness-of-fit index (0.924), adjusted goodness-of-fit index (0.953) and standardised root mean square residual (RMR=0.022) were within the acceptable criteria. The other indices like normed-fit index, comparative-fit index were within limits, therefore, it can be concluded that the model is found to be fit. The first path in the model indicates the relationship between transformational style and job satisfaction among employees. The path in the hypothesised model proves significant and positive relationship between transformational leadership style and job satisfaction (SRW= 0.82, $p < 0.001$) indicate significant relationship between the two, which confirmed the first hypothesis that women’s transformational style is positively associated with satisfaction of employees. The rationale behind is that which women leaders with this style inspires employees to perform beyond expectations and get satisfaction at work. Transactional style had negative association with job satisfaction which is reflected in path second (SRW= .61, $p < .01$) indicates employees realised that they do not get rewarded as per their expectations. The third path also reflects the negative relation between laissez faire style and employees satisfaction. The relationship between democratic style and employees satisfaction can be shown in path four (SRW= 0.42, $p < 0.001$) which is significant. It confirms

that employee participation and involvement in decisions significantly and positively affects employee satisfaction.

Discussion and Conclusion

Leadership styles are the patterns of behaviour used by leaders in attempting to influence group members and make decision regarding the mission, strategy & operations of group activities (Jong & Hartog, 2007) and employee satisfaction is a measure of how workers are happy with their job and working environment. Leadership style and job satisfaction of employee are the main elements that impact the organisation effectiveness. The study advances an in-depth understanding of the significance of leadership styles of women in attaining employee satisfaction in the following manner. The findings show that women leaders working in the service sector uses various leadership styles on the basis of working environment in which they work. Women with transformational leadership were seen to have a positive impact on the job satisfaction among employees. Further, results revealed that transactional and laissez-faire styles had a negative effect on job satisfaction among employees. But women leaders with democratic style are seen to have a positive effect on the significant subscales of employee satisfaction. Therefore, it is concluded that women working at leadership position needs to be transformational or democratic in

order to provide an effective team works to increase job satisfaction among the employees.

Limitation and Future Research

The present study is not free of limitations that should be kept in mind when interpreting the findings. First, our results are predominantly based on data obtained from questionnaire, which may be subject to common source and common method biases. Secondly, other forms of leadership and role of mediators are neglected in proposed relationships. Third, the study is restricted to the four service sectors operating in Jammu city only. Future research should validate the proposed moderation model using different samples and research settings and industries of different nature in order to generalize the findings. Since the study measures the perception of employees of the service sector, but in future a comparison between manufacturing and service sector should be undertaken. The results of the study are also helpful for developing a new model of leadership with new implementation techniques that can be implemented easily and successfully in a cross cultural context.

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