



**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
COLLEGE OF BUSSINESS AND ECONOMICS
POST GRADUATE PROGRAM**

**THE EFFECT OF LEADERSHIP STYLES ON EMPLOYEE'S JOB
SATISFACTION
CASE OF COMMERCIAL BANK OF ETHIOPIA**

By: Meseret Assefa

Advisor: Mengistu Bogale (PHD)

**Project Work Submitted to Addis Ababa University, School of Commerce in
Partial Fulfillment of the Requirement for the degree of Masters in Business
Leadership (MBL)**

June, 2020

**Addis Ababa
Ethiopia**

Addis Ababa University School of commerce
College of business and economics post graduate program

The Effect of Leadership Styles on Employee's on Job Satisfaction:

Case of Commercial Bank of Ethiopia

By: Meseret Assefa

Approved By Board of Examiners

.....

Advisor

.....

Signature

.....

Date

.....

Internal Examiner

.....

Signature

.....

Date

.....

External Examiner

.....

Signature

.....

Date

Declaration

This is to certify that this project work entitled, “**The Effect of Leadership on employee’s job satisfaction: In case of Commercial Bank of Ethiopia**” is my own original work and has not been submitted for a degree of any other university with every material used have been duly acknowledged.

Declared by:

.....

.....

.....

Name

Signature

Date

Acknowledgements

First and foremost, I would like to praise and give special thanks to almighty GOD for his love care and for keeping me from all possible danger and keeping me healthy through all path of my life. Then, I would like to express my gratitude and appreciation for my advisor Dr. Mengistu Bogale for his guidance and assistance in carrying out the study. Special thanks to my beloved family and friends for their support and encouragement throughout the study. Finally, I would like to express my gratitude and appreciation for my co-workers for their support and contribution and for everyone who assisted me during this project including the respondents who provide me the data through the responses to the questionnaires.

Abstract

The main objective of the study was to examine effects of leadership style on employee job satisfaction in CBE. Primary and secondary sources of data were used in the study. To collect the primary data the study employed a non-random sampling technique to select the branches and respondents. A total of 327 questionnaires were sent to 327 non managerial employees through CBE internal email and 321 respondents completed the MLQ and JSS questionnaires. The collected data was analyzed through SPSS version 20. Descriptive statistics analyzed through frequencies, mean and standard deviation to identify the dominant leadership style and level of job satisfaction and correlation and regression analysis were also used to identify the relationship between two variables and the effect of leadership style on employee job satisfaction. The descriptive statistics result shows that the employees exhibited an ambivalent level of job satisfaction and the current dominant leadership style at the organization is transactional leadership. The result of correlation analysis indicated that there is strong correlation between transactional leadership style and job satisfaction. In addition regression analysis revealed that the three leadership styles has an effect on job satisfaction and the regression model used was found a good fit for the data. It is concluded that transactional leadership style is most dominantly exercised so it is recommended that CBE should update its leadership development program enhance the knowledge and skills of their branch managers and supervisors to adopt transformational leadership style in addition to transactional leadership style in order to improve job satisfaction and organizational outcomes.

Keywords: Transformational Leadership, Transactional Leadership, Laissez-faire leadership, job Satisfaction

List of Abbreviations

BBO= Banking Business Officer

BOO=Banking Operation Officer

CBE= Commercial Bank of Ethiopia

JO= Junior Officer

JSS= Job Satisfaction Survey

MLQ= Multifactor Leadership Questioner

SBBO=Senior Banking Business Officer

SBOO=Senior Banking Operation Officer

SPSS =Statistical Package for Social Science

SD = Standard Deviation

List of Tables and Figures

Table 1. Leadership style sub scale and items.....	23
Table 2. Job satisfaction factors and items	23
Table 3. Reliability Statistics	25
Table 4. Demographic information of participants.....	27
Table 5. Mean and standard deviation on the dimensions of leadership.....	28
Table 6. Mean and standard deviation of job satisfaction	31
Table 7. Correlation between independent and dependet variable	32
Table 8. Descriptive ststistics for normality	34
Table 9. Auto correlation assumptions test.....	34
Table 10. Overall regression analysis	35
Table 11. Coefficients of regression	35
Table 12. ANOVA regression analysis	34

Figure

Figure 1. Conceptual Framework	19
--------------------------------------	----

Contents

Declaration.....	I
Acknowledgements.....	II
Abstract.....	III
List of Abbreviations	IV
List of Tables and Figures.....	V
Contents.....	VI
CHAPTER ONE	1
INTRODUCTION.....	1
1.1. Background of the study.....	1
1.2. Statement of the problem	3
1.3. Research objectives	4
1.3.1. General objectives	4
1.3.2. Specific objectives.....	4
1.4. Research questions	4
1.5. Significance of the study.....	5
1.6. Scope of the study	5
1.7. Limitation of the study.....	5
1.8. Organization of the study	5
1.9. Definition of key terms	6
CHAPTER TWO	7
LITERATURE REVIEW.....	7
2.1. What is Leadership?.....	7
2.2. The concept of Leadership style	8
2.2.1. Transformational Leadership Style	10
2.2.2. Transactional Leadership Style	12
2.2.3. Laissez-Faire Leadership style.....	14
2.3. Job Satisfaction	14
2.4. The Relationship between Leadership styles and Job satisfaction.....	15
2.4.1. Transformational Leadership Style and Job Satisfaction	16
2.4.2. Transactional Leadership Style and Job Satisfaction	16

2.4.3. Laissez-Faire Leadership Style and Job Satisfaction.....	17
2.5. Empirical review of related studies.....	18
2.6. Conceptual Framework.....	19
CHAPTER THREE	20
RESEARCH METHODOLOGY	20
3.1. Research Approach and design.....	20
3.2. Data type and sources	21
3.3. Target population and Sample design	21
3.4. Data collection instrument and methods	22
3.5. Data analysis	24
3.6. Reliability test.....	24
CHAPTER FOUR	26
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	26
4.1. Introduction	26
4.2. Demographic characteristics of the respondents.....	26
4.3. Descriptive statistics of the variables	28
4.3.1. Dominant leadership style	28
4.3.2. Job satisfaction of respondents	31
4.4. Correlation analysis.....	32
4.5. Regression analysis	33
4.5.1. Normality test	33
4.5.2. Autocorrelation assumption test.....	34
CHAPTER FIVE	38
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	38
5.1. Summary of findings	38
5.2. Conclusion.....	40
5.3. Recommendation.....	40
5.4. Implication for further research	42
REFERENCE.....	43
ANNEX.....	50

CHAPTER ONE

INTRODUCTION

In this chapter the topics background of the study, statement of the problem, research objectives, research questions, significance of the study, scope of the study, limitation of the study, organization of the study and definition of key terms are addressed.

1.1. Background of the study

Leadership is an influential relationship between leaders and followers to bring about a real changes and outcomes that reflect a shared purpose. It is a process whereby an individual or a leader that influences its subordinates to achieve a common goal. A leader can identify opportunities for leadership and act to motivate others to bring changes for a better future. (Richard, 2008).

An organization leadership style has an effect on the relation between superiors and employees, it affects employees performance, job satisfaction, commitment and he organization total coherence. (Wilderom, Berg and Peter, 2004). A leadership style that an organization follows can either motivate or discourage employees which results in increasing or decreasing in their level of performance so an effective leadership style positively affects employee's job satisfaction which in turn results in better performance, effectiveness and productivity of the organization. (Turner & Muller, 2005).

Leadership is additionally considered in concert of the foremost important determinants of employee job satisfaction. Leadership and job satisfaction are the most important factors that are considered as a key for organizational effectiveness. (Tordera et al. 2008).

As Spector, (1997) defined job satisfaction as it is "how people feel about their job and different aspects of their job." Statt, (2004) also defined job satisfaction is the extent to which a worker is a content with the rewards someone gets out of his or her job, especially in terms of intrinsic motivation. Job satisfaction is a crucial and fundamental outcome of having an effective leadership in an organization. (Bass &Avolio, 1994). Therefore employees are more satisfied

with leaders who are considerate or supportive than with people who are either indifferent or critical towards subordinates (Yukl, 1971).

Because a company's employees are one of the most valuable assets, and managing them can be one of the most important but challenging tasks. Whatever the strategy the organization follows leaders are encouraged to pay attention to the happiness, well-being, motivation and satisfaction of their staff. Productive and satisfied employees represent a crucial element to a successful business organization..

Commercial bank of Ethiopia (CBE) is the leading government's bank in Ethiopia, established in 1942 and the first to introduce modern banking to the country. CBE was legally established as a share company in 1963 and merged with a private bank Addis Ababa bank in 1974. Since then, it has been playing significant roles in the development of the country. CBE has more than 1,400 branches widely scattered across the country. The bank's asset is currently reached more than half a trillion which makes the bank the leading African bank with its asset as on June 30, 2019. CBE plays a catalytic role in the economic progress & development of the country. Currently CBE has more than 22 million account holders. CBE has more than 37 thousand competent permanent and more than 12 thousand temporary employees.

CBE has a Board which consist of nine Member all of them are none executive members and appointed by the government. It is supervised by Board of Directors and the day today functions of the bank are managed by the President. The Bank has a process -oriented corporate structure each process headed by a process owner. CBE performs its operations through its core and support processes. The management of the Bank reports to the President (<http://www.combanketh.et/>)

Because of CBE is the largest financial institution in Ethiopia in different aspects i.e. profitability, capital, number of employees, number of customers, number of different branches scattered around the country etc... the organization is feasible for the study in order to get the result that shows the impact of leadership style on job satisfaction. As a leadership plays a major role in the success of and failure of an organization, management of CBE needs to engage with good leadership style to satisfy employees and so as to need its organizational vision, as CBE's vision is to become a world class commercial bank by the year 2025.

This study helps to understand the effects of leadership style in employee job satisfaction by taking commercial bank of Ethiopia as a case company using the Multifactor Leadership Questioner and the Job satisfaction survey only from the perspectives of employees working in the bank.

1.2. Statement of the problem

The leadership style that an organization follows is one of the main factors that affect employee job satisfaction. (Seashore, 1975.). Organization should give much focus on the leadership style because it helps to achieve employee job satisfaction in turn also affects the goal, objectives and productivity of the organization as a whole (Chiok, 2001.). So having distinct leadership style is a critical element that impacts employee's job satisfaction which leads to organizational success.

Satisfied and committed employees are the foremost significant assets of a company to attain its objectives especially in service given organization like banks. As banking institutions are the back bone of a nation's economy, the efficient management of human resources and therefore maintenance of higher level of job satisfaction affects the expansion and performance of an entire economy.

In today's banking industry customer satisfaction and deposit mobilization is a major goal and these can be achieved through employees who have satisfaction and motivation on their job. Employee's job satisfaction is a very important activity to provide a quality service for the customer and to achieve the overall objectives of the organization. Management of CBE should consider the leadership style that is implemented in the organization and its impact on employee job satisfaction and if the organization fails to do so the satisfaction of employees is questionable and this may lead to unproductivity of the organization. Based on my experience as I am working in commercial bank of Ethiopia I observed that most employees are not satisfied and there is mistreatment of customers, poor service quality and customer complain that is shown in CBE. So as I am a leadership student and CBE is the largest organization that is affected by leadership style, I interested to address the effect of leadership style on employee job satisfaction. Thus, this paper assessed the impact of leadership style on employees' job satisfaction in commercial bank of Ethiopia.

1.3. Research objectives

13.1. General objectives

To assess the effect of leadership style on employee job satisfaction in case of commercial bank of Ethiopia were the main objective of this research.

1.3.2. Specific objectives

The specific objectives of the study are:

- To assess the dominant leadership style at CBE through descriptive analysis of multifactor leadership questioner.
- To measure the level of employees' job satisfaction by using job satisfaction survey instrument.
- Determine the relationship between leadership style and Job satisfaction?
- To examine the effect of leadership style (Transformational, Transactional and Laissez faire) on employee job satisfaction.
- To find out which leadership style is better for job satisfaction in CBE.

1.4. Research questions

The study addressed the following research questions:-

- What type of leadership style is dominant at CBE?
- What is the level of job satisfaction of employees of CBE?
- What is the relation between leadership style and employee job satisfaction?
- What is the effect of leadership style on employee's job satisfaction?
- Which type of leadership style is more effective on the employee job satisfaction?

1.5. Significance of the study

This study would help the bank to give better attention to the leadership style it currently used and to further investigate which leadership style is best for job satisfaction. Also the results of this study benefits CBE to improve banking performance and promote it by adopting effective leadership style by increasing employee job satisfaction. Further the organization would benefit from the research outcome in planning future management development scheme and assuring satisfaction of its employees by promoting the best leadership style.

1.6. Scope of the study

This study addresses the scope of the effect of leadership styles on employee job satisfaction in CBE. Due to time constraint, the prevalence of Covid-19 and based on the assumption that the working condition, policies, strategies and the leadership style the bank follows are similar in all branches the study covers employees of CBE that are working in west Addis district. It addresses 327 non managerial employees that are working in 12 branches of west Addis Ababa district through MLQ and JSS survey instruments and the primary data's are analyzed through descriptive and regression statistics in order to identify the effect and relation of independent and dependent variable.

1.7. Limitation of the study

In conducting this study, the researcher faced some constraints in distribution and collection of data due to pandemic disease covid-19. This pandemic also limits the number of sample size that the researcher tries address and also the researcher couldn't refer more books, journals, researches that are found within the library. The other limitation is during distribution and collection of the data the commitment of the employees to fill the questionnaires effectively and also return the questionnaires to the researcher.

1.8. Organization of the study

This study is organized in five chapters.

Chapter one: - Introduction which is consists of background of the study, statement of the problem, research questions, research objective, significance, scope, limitation, organization of the study and definition of key terms.

Chapter two: -Review of related literature and conceptual framework.

Chapter three: -Research methodology that is research design and approach, data type and sources, target population and sample design, data collection instrument and methods and data analysis.

Chapter four: - Data analysis and interpretation.

Chapter five: - Result of the study, conclusion and recommendation.

At the end of the thesis document, references and appendix that contain the questionnaires of the survey which was used to collect primary data for this study is attached.

1.9. Definition of key terms

Leadership: is the capacity of a person to impact the conduct of a gathering to accomplish organizational objectives. Leadership occurs when one group member modifies the motivation or competencies of others in the group (Robbins, 2001).

Leadership Style: is the pattern of interactions between leaders and subordinates that includes controlling, directing all techniques and methods used by leaders to motivate subordinates to follow their instructions (Miller et al., 2002).

Transformational leadership: a process whereby leaders promote the motivation of their followers to pursue and accomplish higher goals the collective interest of the group. (Burns, 1978.)

Transactional leadership: is an exchange of valued things between leaders and followers in order to achieve an outcome. (Burns, 1978.)

Lasiez- faire leadership: is a situation when a leader avoids or does not interfere with the work assignments or may entirely avoid responsibilities and does not guide or support its followers. (Limsila & Ogunalana, 2008.)

Job satisfaction: is the degree to which employees enjoy their work and different aspects of the job. (Ellickson & Logsdon, 2002.).

CHAPTER TWO

LITRATURE REVIEW

This chapter of the study tries to explain the most important concepts on leadership and job satisfaction and the effects of leadership style on employee job satisfaction. It provides an insight into these concepts as well as their relationships by focusing on previous literatures relevant to this study. The chapter also provides the conceptual framework that shows the relationship between the variables of the study.

2.1. What is Leadership?

The definition of leadership in various literatures is given from different perspective. Therefore it is difficult to find a concise definition. According to Gary Yukl, (2006) defines leadership as “the course of influencing others in what to do and how to do with common understanding and consent, and the process of facilitating individual and collective efforts towards accomplishing shared objectives” (p. 8). (Petter Northouse 2010) defines leadership as “a process whereby an individual influences a group of individuals to achieve a common goal” (p. 3). According to Prentice, (2004.) leadership is defined as the accomplishment of a goal through the direction of human associates. A leader is one who successfully directs his human associates to achieve particular outcomes. It also expressed as an attempt to direct or coordinate specific tasks for members of a group (Fiedler, 1967). Merton (1969) mentioned that leadership is a process to influence a particular group of people in an organized way to achieve certain goals. “Leadership is practiced when a person mobilizes institutional, political, psychological, and other resources to inspire, engage and satisfy the objects of followers” (Burns, 1978). Smylie et al. (2005) mentioned that leadership is performed by an individual who has unique roles and task-oriented perspectives and also serves as a key “function” in the interactions with other leaders, followers, and situations. Based on the above definition we can draw basic definition of leadership as, Leadership is the ability to influence a group toward the achievement of a vision or set of goals.

According to Robbins, (2013) Leadership is the ability to influence a group toward the achievement of an objective or set of goals. The source of this influence can be obtained from legitimate power by managerial rank in an organization. But not all leaders are managers, nor for that matter, are all managers’ are leaders. Just because an organization provides its managers with certain formal rights is no assurance they will lead effectively.

Bass (1990) defined leadership as a procedure of connection among people and gatherings that incorporates an organized or rebuilt circumstance, individuals' desires and recognitions. Leadership can be clarified as the capacity of a person to have power that spotlights on the best way to set up bearings by adjusting strengths. As indicated by Northouse, (2007) and Yukl (2006) leadership characterized as a procedure where leaders impact their employees to accomplish organizational targets. Diverse leadership styles have been distinguished by that organizations adjust. Having particular leadership style is a key component that effects worker's job satisfaction which prompts hierarchical accomplishment. Accordingly Leaders are anticipated to influence behavior of the others in order to accomplish the overall target of the organization.

All the above definition shows as that leadership are those who can influence others in order to attain the organizational goal. Influencing in other words means the capability to change the behavior of others to perform in the way the leaders expect them.

2.2. The concept of Leadership style

A number of leadership theories were developed by various management experts like trait, behavioral, and situational or contingency approaches by considering trait, behavior and nature of leader characteristics. Traditionally leadership styles are classified as autocratic, democratic and lasiez-faire leadership styles under behavioral approach by emphasizing on the two kinds of behavior of the leader. These are task behavior i.e. helps the group members to achieve their goals and relationship behavior which helps the subordinates to feel comfortable with themselves. (Northouse. 2016)

Autocratic style - the leader uses strong, directive, controlling actions to enforce the rules, regulations, activities, & relationships in the work environment; followers have little discretionary influence. It centralizes authority and derives power from position, control of rewards, and coercion.

Democratic style - the leader takes collaborative, reciprocal, interactive actions with followers; followers have high degree of discretionary influence. The leader delegate authority, encourages participation, relies on subordinates' for completion of tasks, and depends on subordinate respect for influence. It is effective when subordinates possess decision-making skills and when there is a skill difference between the leader and subordinates is high.

Laissez-fair style - the leader fails to accept the responsibilities of the position; creates chaos in the work environment. (Yukl, 2001).

Leadership style is the 'relatively consistent pattern of behavior that characterizes a leader'. (Dubrin, 2001). Today's organizations need effective leaders who understand the complexities of the rapidly changing global environment. Different leadership styles may affect organizational effectiveness or performance (Nahavandi, 2002). Through their instruction, preparing, and encounter, leaders build up their own leadership style. This leadership style is a major worry of leaders and analysts (Wood, 1994) Leadership style is characterized as the example of practices that leaders show amid their work with and through others (Hersey and Blanchard, 1993). Mill operator et al. (2002) view leadership style as the example of cooperation amongst leaders and subordinates. It incorporates controlling, coordinating, to be sure all procedures and techniques utilized by leaders to inspire subordinates to take after their guidelines.

Burns, (1978) transactional and transformational leadership styles have been considered as one of the unmistakable leadership styles from traditional leadership styles. Transformational leaders adjust supporter's desires and accentuate their self-improvement. In this manner, such leaders motivate execution of their adherents (Spears & Lawrence, 2003). The discoveries from numerous studies showed noteworthy effect of transformational leadership on job satisfaction of subordinates (Wiratmadja, 2008; Bass and Avolio, 1994).

Bass and Avolio (1994) compared the transformational leadership style with the transactional one. The transactional leadership style is based on drawing up an agreement with the employees on what needs to be done and what the employee should expect after fulfilling the agreement. According to Bass's theory, there are three different dimensions of the transactional leadership style namely contingent reward, management by exception which is active, and management by exception which is passive. The last form of leadership style based on Bass's theory is the so-called passive leadership or laissez-faire leadership style. According to 'passive leadership,' which represents a non-leadership style, leaders abstain from taking action or interfering when their leadership is necessary (Judge and Piccolo, 2004).

Leadership style depends on the situation of the company like nature of the task, culture, objectives, availability of recourses and also the general environment. Different combinations

of leadership styles are appropriate depending on factors such as skill and experience, locus of control, task structure and team dynamics (McShane, Travaglione & Olekalns 2009).

For this specific research transformational, transactional and laissez-faire leadership styles are discussed in detail.

2.2.1. Transformational Leadership Style

(Simola et al. 2012) define transformational leadership as a type of leadership in which interactions among interested parties are organized “around a collective purpose” in such a way that “transform, motivate, and enhance the actions and ethical aspirations of followers.”

Transformational leadership is a leadership style that seeks positive transformations “in those who follow” and that achieves desired changes through the “strategy and structure” of the organization (Geib and Swenson, 2013).

According to (Jong and Hartog 2007); and (Kent, Crotts and Aziz 2001), transformational leaders are able to stimulate followers to see problems in new ways and help them to develop their full potential and resulted in enhanced creativity of their followers. There are four characteristics under this leadership as stated below.

A. Idealized Influence

Idealized Influence (Attributed)

The leader behaves in admirable ways in which cause followers to spot with the leader. Usually, charismatic leaders display convictions, take stands and appeal to followers on an emotional level. Followers idealize these leaders, who are role models and who provide them with a vision and purpose, seem powerful and assured, and consider the moral and ethical implications of their decisions.

Idealized Influence (Behavior)

Leaders tend to be more ethical and have strong sense of mission. Leader shares risks with followers and are consistent in conduct with underlying ethics, principles, and values. Provides vision and sense of mission, instills pride, gains respect and trust (Bass & Avolio, 1990)

B. Inspirational Motivation

This part describes the degree to which the leader articulates a vision that's appealing and provoking to subordinates. In keeping with (Bass & Avolio, 1990), Inspirational motivation is leadership that inspires and motivates followers to achieve ambitious goals which will have previously seemed unreachable. Inspirational motivation, which has communicating an appealing vision, and using symbols to focus subordinate effort (Bass & Avolio, 1990)

C. Intellectual Stimulation

This section is the level, to which the leader challenges assumptions, takes risks and solicits followers' ideas. Furthermore, leaders having good intellectual stimulation can arouse and encourage creativity in their followers.(Bass & Avolio, 1990), noted further that as a result of intellectual stimulation, 'followers' conceptualization, comprehension, and discernment of the character of the issues they face, and heir solutions are radically changed. Because individuals are included within the problem solving process, they're motivated and committed to achieving the goals at hand.

D. Individualized Consideration

According to Bass & Avolio (1990) stated that a leader using individualized consideration provides socio-emotional support to followers and is anxious with developing followers to their highest level of potential and empowering them. The leader during this instance gives individualized attention and a developmental or mentoring orientation toward followers. This outcome is achieved by coaching and counseling followers, maintaining frequent contact with them, and helping them to self-actualize. Individualized consideration includes providing support: encouragement and coaching to followers (Yuki, 2010) .Leaders believes to use this kind of leadership styles when leaders want members to be an active part of the organization and have ownership to it. Leaders are building a sense of purpose and when the organization has a long term plan and need to be motivated.

The theory also needs to include the leader authority on group or organizational procedures. Yukl also noticed that lapse of some transformational behaviors from the original transformational leadership theory, such as inspiring, developing and empowering. Another limitation of this leadership theory is the inadequate measurement of situational variables. A primary statement of transformational leadership theory is that the fundamental leadership procedures and results are effectively the same in all situations.

The theory does not clearly recognize any condition where transformational leadership is unfavorable. Lastly, similar to most leadership theories, transformational leadership theory believes the gallant leadership label. Successful performance by one person or team, or organization is unspecified to depend on leadership by an individual with the ability to discover the accurate path and stimulate others to receive it. However, Yukl also suggests some guidelines to develop Transformational Leadership theory (Yukl, 1999).

Bass stated that the transformational leader's task makes an alignment of the organization interests and its member's requirements (Bass, 1999). Transformational leadership style has both strong and weak side. However, evidence from literature shows that weak side is "weak" than strong side. This leadership style changed the concept typical "boss and subordinate" relationship. The transformational leadership style gives emphasis to moral principles, teamwork and community in adding together to the privileged human ethics. The general idea of Transformational Leadership consists of some major points. First, the ability of leaders to motivate their followers by focusing on the needs of the principle based on higher order ethics and morality. (Bass, 1985; Burns, 1978; Yukl, 1998). Secondly, it generates and articulates a goal which is vision-related. It also gives power to others to move in the direction of the shared goal and concentrate to the concerns and beneficial needs of groups (Robbins, 1996). There are some elements of transformational leaderships, which are promising but didn't achieve much attention. They are (a) the ability of transformational leaders to reverse decisions taken by followers (O'Connell, 1995). (b) The follower's capacity to contract with difficulty, uncertainty and insecurity (Robbins, 1996). (c) The transformational leader's favoritism in the direction of action (Bennis, 1985). Yukl noticed some major limitations of the major interest of this leadership theory found to clarify a leader's straight influence over individuals.

2.2.2. Transactional Leadership Style

Transactional leadership is an exchange of valued things between the leaders and subordinates in order to achieve an outcome. It is a method of getting subordinates to achieve job requirements by reinforcing towards rewards or punishment. (Avery, 2004., Bass, 1985).

Transactional leaders will therefore identify, define and communicate what needs to be done and how the instruction will be carried out. If the subordinates do something good then they will be rewarded and if they are doing wrong they will be punished. (Piccolo & Calquitt, 2006).

Kuhnert and Lewis, (1987) expressed that transactional leadership is a trade amongst followers and leaders coveted results by satisfying the leader's advantage and followers' desires, which includes guarantees or responsibilities inserted by appreciation and trust. Jung, (2000–2001) likewise characterizes transactional authority as leader inclination towards distinguishing proof of employees' needs and desires and obviously show the approaches to satisfy these requirements in return for execution of employees.

Transactional Leadership, also known as managerial leadership, focuses on the role of supervision, organization, and group performance and it is a leadership style that leader encourage compliance of his followers through both rewards and punishment. (Bass 1990) defines Transactional Leadership as:

- A) **Contingent Reward:** promises rewards in exchange of effort, good performance and accomplishments. If employees put an effort it will be recognized by rewards.

- B) **Management-By-Exception (Active):** it is the way of scanning and controlling deviation from the standard and takes corrective actions. Management notes any deviation from the rules and regulations and if there is the deviation it takes a corrective action. Whenever there is deviation from the rules and regulations management but expectation happens and the actions for corrections are also taken. The leader follows followers to work on the mission and doesn't interfere unless goals aren't being achieved in a proper time and at the reasonable cost. Transactional leadership means the leaders who lead primarily by using social behavior exchanges for maximum benefit at low cost.

- C) **Management-By-Exception (Passive):** This implies that the relationship between leaders and followers under this leadership style is based on transaction between the leaders and followers are reward punishments, reciprocity, exchanges (economic, emotional, and physical) and also following the rule and regulation that will imply that the leaders are inflexible. That means focuses on the accomplishment of tasks & good worker relationships in exchange for desirable rewards. The leader interferes if and only if standards are not met.

The design of the three components of transactional leadership help transactional leaders avoid risk and focus more on efficiency by making performance expectations clear (Epitropaki & Martin, 2013).

Inflexibility of leadership is a characteristic of this model, so any attempt to change this leadership style is difficult and almost unsuccessful, because the leadership style is part of human person, his personal characteristics and that is something unchangeable.(Nikezic, S.,Dasic, P., Bojic, B.2012).

The overall use of this leadership style is that the leaders want to be in charge of the situation in addition to that the deadline must me meet on time. According to (Bass, 1998)

2.2.3. Laissez-Faire Leadership style

The tenure laissez-faire moreover called passive avoidant. (Bass, 1990. Bennett, 2009. Burns, 1978.). Laissez-faire leadership style is furthermore established as "hands-off" style. It is one in which the boss provides little or no direction and gives employees as much freedom as possible. Basically, this style looks clear- cut and easy-going between leaders and subordinates.

Robbins, (2007) explained the laissez-fair style as “Abdicates responsibilities avoid making decisions”. Similar Luthans (2005), defined laissez- fair style as “Abdicates responsibilities avoids making decisions. Laissez- Fair is uninvolved in the work of the unit. It is difficult to defend this leadership style unless the leaders’ subordinates are expert and well-motivated specialists, such as Scientists. “Leaders let group members make all decision” (Mondy&Premeaux, 1995). “Behavioral style of leaders who generally find the group complete freedom, Provide necessary materials, participate only to answer questions, and avoided giving feedback” (Bartol &Martin, 1994). The concept to laissez was also given by Osborn as “Abdicates responsibilities and avoiding decisions” (Osborn, 2008).

The laissez-faire leadership technique put in to operation while employees are warmly skilled, experienced, and educated, employees hold pride in their succeed and the force to sort out it fruitfully on their own, outside experts such as run specialists or consultants are mortal old and employees are faithful and experienced.

2.3. Job Satisfaction

A number of scholars optional several definitions of about job satisfaction but the largest part of them has alike proof on it is how employees feel about their jobs. According to (Spector, 1997) job satisfaction refers to the feeling of people about their jobs and various aspects of their jobs. (Ellickson and Logsdon 2002) encourages this view by defining job satisfaction is a point to which employees like their work.(C.R.Reilly 1991) defines job satisfaction as the emotion that an employee has about his responsibility or an all-purpose point of view towards

act or an occupation and it is influenced by the perception of one's job. (J.P. Wanous and E.E. Lawler 1972) refers job satisfaction is the sum of job facet satisfaction across all facets of a job. (Lu H, While A, Barriball L. 2005) Job satisfaction is defined as harmonizing the people's understanding of needs and what they receive from their jobs and is recognized as one of the most important research variables belonging to organizational behaviors and also as a crucial variable in the organization's researches and theories.

Job satisfaction portrays the emotions, states of take care or inclinations of people with respect to work (Chen, 2008). Besides, it is the area to which employees make the generally of their occupations (McCloskey and McCain, 1987). Greenberg and Baron (1997) characterize job satisfaction as an individual's subjective, packed of feeling, and evaluative responses towards appointed occupation. Locke (1976) gives extra demarcation on job satisfaction as the state where one's requirements and one's consequences coordinate well. McNamara (1999) characterizes it as one's sentiments or perspective with respect to the way of their work. Work fulfillment is a mentality of representatives towards the occupation (Aydogdu and Asikgil, 2011). It demonstrates understanding of potential (Mitchel and Larson, 1987), enthusiastic and mental reactions towards the occupation (Hart, 2010).

Employee satisfaction viewed as a critical element for hierarchical achievement. As indicated by Galup, Klein, and Jiang (2008), profitable organizations habitually exhibit fulfilled employees whereas humble employment joy be capable of handicap an organization. Job satisfaction comprises of by and huge or broad satisfaction, and a mixture of satisfaction aspects (Cranny et al., 1992; Friday and Friday, 2003). Kalleberg, (1977) states that job satisfaction comprises of two parts. These are intrinsic (alluding to the work itself) and extrinsic (speaking to aspects of the occupation outer to the errand itself) job satisfaction. Hirschfield, (2000) expressed that intrinsic job satisfaction alludes how individuals feel about the way of the employment assignments themselves while external job satisfaction alludes how individuals feel about parts of the work circumstance that are outside to the occupation undertakings or work itself (Shim, Lusch, and O'Brien, 2002.).

2.4. The Relationship between Leadership styles and Job satisfaction

Leadership style is a basic determinant of worker job satisfaction. The responses of workers to their leaders will commonly depend on the attributes of the employees in addition as on the

qualities of the leaders (Wexley and Yukl 1984). The nature of the leader follower relationship or the scarcity in that sphere has an extraordinary impact on the employee's self-regard and job satisfaction (Chen and Spector 1991; Brockner 1988; DeCremer 2003).

Various studies have been conducted to investigate the relationship between leadership styles and job satisfaction. The results of most studies and the literature show that there exist a relationship between leadership styles and job satisfaction.

2.4.1. Transformational Leadership Style and Job Satisfaction

Transformational leadership had a positive relationship with employee's job satisfaction (Bodla & Nawaz, 2010; Mancheno, Smoak et al., 2009). Bodla and Nawaz's, (2010) conducted a study to verify this relationship by taking 265 participants of faculty members and professors from public and private universities. The research included the five dimensions of transformational leadership, namely idealized influence (attributed), idealized influence (behavioral), inspirational motivation, intellectual stimulation, and individualized consideration. The study used the Multifactor Leadership Questionnaire (MLQ) to measure various aspects of transformational leadership. The results showed a significant relationship between transformational leadership and employee job satisfaction. According to Bhatti, (2012) study when supervisors invited followers to contribute to the decision-making process, the strategy caused an increase in job satisfaction and developed worker's skills. The increase in job satisfaction was attributed to transformational leaders that motivated followers to reach higher levels of potential. In addition, followers were motivated to look beyond self-interests for the good of the group and view the work responsibilities from new perspectives (Birasnav, 2011).

2.4.2. Transactional Leadership Style and Job Satisfaction

Transactional leaders focused more on job success rather than job satisfaction. The transactional leader concentrated on supplying employees with resources to increase productivity and to accomplish shared goals (Riaz & Haider, 2010). The reward dimension of transactional leadership style has the potential to contribute to job satisfaction. Fisher (2009) acknowledged that when rewards were only based on meeting certain requirements and conditions, the results were a negative influence on job satisfaction. Based on the dimension of transactional leadership, some researchers concluded that transactional leaders do not positively influence employee job satisfaction; however, other scholars disagreed with the concept and Chaudhry and Husnain, (2012) conducted an investigation using a mixed method

approach with 278 banking employees. The demographics of the population included 63 entry employees, 193 middle-level managers, and 22 top-level managers. The findings of the study revealed that employees were more motivated with a transactional leader in contrast to a transformational leader. In fact, the banking industry experienced a low turnover rate under the transactional leadership style. The weakness or limitation of the study was the limited number of banks sampled and a short data collection period of six months. Chaudhry and Husnain (2012) had similar findings to Kim, Lee, and Carlson (2010) who found that transactional leaders positively affected job satisfaction. The conditional factors were dependent on the employees' capabilities, awareness, and desires.

The inference from the previous studies must caution leaders to avoid an approach that the same style works all instances when leading employees (Kim et al., 2010). In addition, managers must consider the diverse atmosphere and individual characteristics when choosing an appropriate leadership style. Chaudhry and Husnain (2012) agreed with the concept based on the findings of a positive relationship between transactional leadership and job satisfaction. Despite the conditional aspects that contributed to the unpopular yet positive relationship with job satisfaction, researchers and leaders criticize the transactional leadership style.

2.4.3. Laissez-Faire Leadership Style and Job Satisfaction

Several studies revealed findings that laissez-faire leadership style had no significant relationship with job satisfaction (Bass, 2009; Chaudhry & Husnain, 2012; Ghorbanian, et al., 2012; Sadeghi & Pihie, 2012). Furtner, (2012) conducted a study to determine if laissez-faire leaders held a positive relationship with self-leadership, resulting in job satisfaction. The study was important since self-leadership is the process of influencing one's thoughts and behaviors through cognitive, affective, and motivational-volitional process. The study included more than 400 professionals from eight industries. Based on data collection analysis, there was a negative relationship between laissez-faire leaders and self-leadership. The inference from the results suggested that one must be in control of one's self before leading others. As previously noted, employees involved with high emotional labor do not prefer transactional leadership (Liu et al., 2011). Laissez-faire leaders may be appropriate for the type of work environment where workers receive minimal feedback to achieve job satisfaction. In fact, Sadeghi and Pihie confirmed from a quantitative study (2012) that a positive relationship with laissez-faire leadership and job satisfaction involving academic deans because the workers desired to operate with autonomy.

2.5. Empirical review of related studies

Bushra et al, (2011, done a study on the banking section of Lahore, Pakistan with a statistical population of 133 bank employee's to investigate the relation of leadership style on employee job satisfaction using multivariate regression analysis. the result of the study showed that transactional leadership has a positive and significant effect on the investigated bank employees and their job satisfaction, which in turn creates an organizational commitment.

Javed, Balouch and Hassan,(2014) recognized that there is an important association between transactional leadership style and employees' job satisfaction and this transactional leadership style is more adopted by the leaders as compared to transformational leadership style. The authors advise the research results to the senior leadership of banks for them to improve their employee's job satisfaction. This they offer can be done through training their leading staff in branches to adopt transactional leadership style. The study involved 230 people working in five selected private banks of four districts of the Punjab province of Pakistan. From the analysis of strong and weak point of these transformational and transactional leadership styles, it is evident that more empirical work is required to achieve clearer understanding of these two concepts. This study will look at a combination of both and values based leadership style.

Metzler (2006) researched the bond between transformational and transactional leadership styles and employee job satisfaction by illustration of 251 university students who had work experience. His research chains the findings of the current study namely, that transactional leadership positively predicts dedication and absorption. His findings however, also indicate that transactional leadership positively predicts vigor, which is contrary to this study. Given the fundamental assumption that subordinates work in order to receive compensation, transactional leaders are able to motivate their employees through the exchange of resources such as contingent rewards.

Obuobisa-Darko (2015) investigated the relationship between leadership styles and job satisfaction, specifically focusing on the banking section by taking 150 employees as a sample. Leadership styles investigated in this study included the transactional and transformational techniques. Findings of the study show that there is a significantly positive relationship between the leadership styles of transformational and transactional with job satisfaction. Also, according to other results of this study, the effect of transactional leadership on job satisfaction has been more successful than the transformational leadership method.

2.6. Conceptual Framework

This Conceptual framework this study largely based on Bass and Riggio's (2006) and others' writings that leadership style influences job satisfaction. The model shows that three leadership styles i.e. transformational, transactional and laissez-faire are related to job satisfaction. The dimensions of transformational leadership style incorporated in this study enumerated as, idealized influence (behavior), idealized influence (attributed), inspirational motivation, intellectual stimulation and individualized consideration. It is assumed that each of these styles relates to job satisfaction in a certain way.

Contingent rewards, management by exception (active) and management by exception (passive) are the three dimensions of transactional leadership style that relate to job satisfaction. All the three dimensions are also assumed to be related to job satisfaction in a specific way.

The third style in the figure is laissez-faire leadership style. It is also assumed that this style is related to job satisfaction of employee.

In this model, leadership styles are regarded as independent variables and of job satisfaction are taken as dependent variables. The above concept depicted and represented as follows.

Dependent Variable and Independent Variable

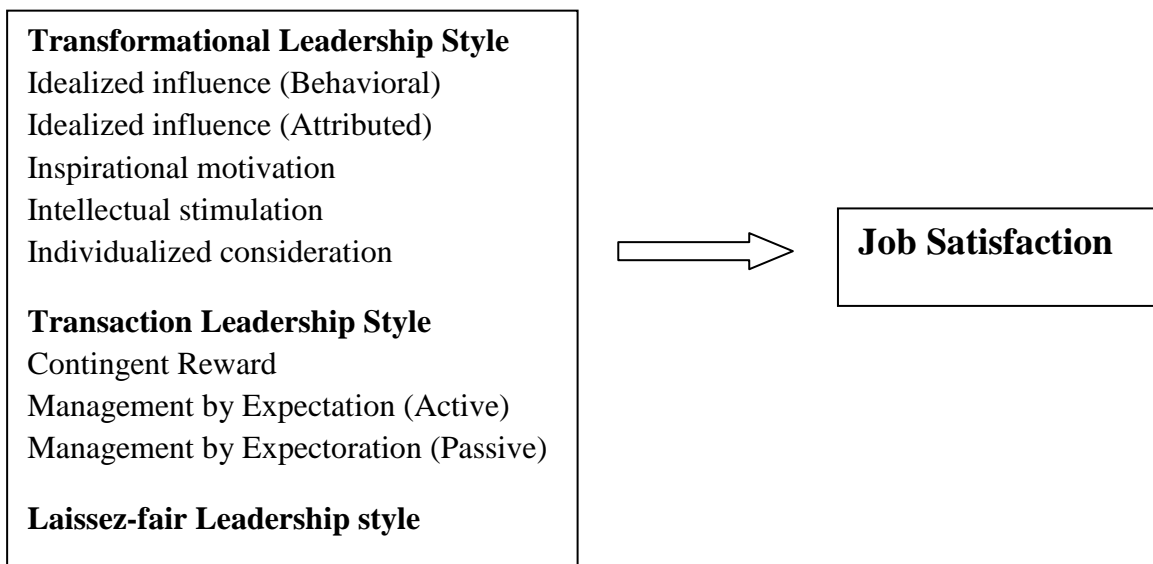


Figure 1. Conceptual Framework

Source Bass and Riggio's (2006)

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter covers the overall methodological considerations of the research proposal. The topics included in this section are research approach and design, data type and sources, target population and sample design, data collection instrument and methods, data analysis and finally reliability test.

3.1. Research Approach and design

There are three types of research approach; qualitative, quantitative and mixed. Qualitative research involves data that often in the form of description not in numbers whereas quantitative research engages in systematic and scientific investigation of quantitative properties and phenomenon and their relationships. The third one is mixed type which consisted of both approaches. (Abiy et al., 2009). This particular research pursue quantitative research approach hence it involves quantitative methods. This research has employed non experimental causal research design which involves studying variation in the dependent and independent variables, without any intervention of the researcher. Causality refers to the relationship between events where one set of events, the effects is a direct consequence of another set of events, which is the causes. (Bobbie, 1990). Non experimental causal research designs can be either cross-sectional or longitudinal in nature; this study is cross sectional survey research since all the data were collected at one point in time. Survey technique was selected for this study because it is useful in targeting very specific populations, identifying characteristics of a population from a small group of individuals; making standardized questions measurement more precise by enforcing uniform definitions on the participants, thereby obtaining high reliability more easily; and survey data are easily quantifiable and are responsive to different regression analysis. With the survey method, it is hoped that the findings from the sample customers could be generalized into a large target population (Bobbie, 1990) a combination of descriptive and explanatory type of research design used in this research proposal. In descriptive research, the essential focus is to describe specific views or opinions, and to examine the relationships and variations in the relevant variables by studying a large sample of the population (Lee & Ling, 2008).It allows a researcher to gather information, summarize, present data and interpret it for the purpose of clarification.

Explanatory study allows examining effects of the independent variable leadership style on dependent variable job satisfaction. It involves studying the impact of one variable on the

other and also the relationship between two variables. The relevance of causal studies arises when a correlation exists between two variables. (Srivastava & Rego, 2011:p44).

3.2. Data type and sources

The researcher will use both primary and secondary data. The primary data will be collected through questionnaires. Through the questionnaire data's were collected on the MLQ and JSS which help to identify what employee perceived about their leaders and employee jobs satisfaction. Relevant Secondary data was collected from different documents obtained from review of related literatures, books, published journals, internal records, website (internet), data's from human resource department of the bank, brochures, annual report of the bank and magazines, articles and Journals and other available sources.

3.3. Target population and Sample design

The study will conduct in the Western Addis Ababa District of the Commercial Bank of Ethiopia (CBE). There are 133 branches and 2,783 employees under west district as of May 2020. The study will address non-management professional employees because they are the one who are affected by the leadership behavior and in order to decrease the bias which could be created while answering leadership related questions this study excludes management employees and employees that are working in district office. From the total 2,783 employees, 1,802, employees are working on non-managerial positions in west Addis Ababa district. The population size are 1,802 non managerial employees i.e. SBBO (senior banking business officer), SBOO (senior banking operation officer), BBO (banking business officer), BOO (banking operation officer), and JO (junior officer). The researcher implements non random sampling techniques to select the respondents and branches respectively. Due to the limitation of COVID 19 it is difficult to directly access respondents, accordingly the researcher non-randomly selected 12 cooperative branches and distributed the questionnaire through CBE internal email (outlook).

According to the formula of Yamane Tore

$$n = N/1+N (e)^2$$

Where n = Sample size

N = Population size

E = Degree of precision or acceptable sampling error (0.05)

$$n = 1,802/ 1+ (1,802) (0.05)^2$$

n=327employees will participate in the study.

3.4. Data collection instrument and methods

The researcher will use two kinds of data collection methods under this study which is Multifactor Leadership Questionnaire (MLQ) and Job Satisfaction Survey (JSS). Multifactor Leadership Questionnaire” (MLQ From 5x) developed by (Bass and Avolio 1997). According to Bass & Avolio, 2006 in order to assess transformational and transactional leadership behavior of employees the standard instrument called Multifactor Leadership Questionnaire (MLQ-5X) used as a tool. MLQ will help the researcher to rate the leadership behaviors utilized by leaders/supervisors. MLQ was presented into 9 factors of leadership (5 for transformational style; 3 for transactional and 1 factor for laissez faire style).

Job Satisfaction Survey (JSS) is also a standard instrument to assess the 9 dimensions of job satisfaction which entirely related satisfaction. According to (Spector 1999) employee outlook about the job and features of the job can be assessed by JSS. Means the researcher will use the JSS to clearly identify the job satisfaction level related to the overall working condition and environment. This study identified how the leadership style measured by MLQ relates to employees’ satisfaction with the nine dimensions pay, promotion, supervision, contingent rewards, fringe benefits, coworkers, operating conditions, nature of work and communication as measured by Job Satisfaction Survey (JSS).

The measuring instrument for this research is questionnaire, the questionnaire consist of two parts. The first part is the demographic which will help us to identify the participant gender, age, educational background. The second part for the MLQ consists of 36 types of questions which will help us to identify what kind of leadership style that the employee practices in the organization. The rating for the MLQ starts from 0 stands for (not at all), 1 stands for (once in a while), 2 stands for (sometimes), 3 stands for (fairly often), 4 stands for (frequently, if not always).

Table 1. Leadership style sub scale and items

Leadership style	Subscale	Items
Transformational Leadership Style	Idealized Influence (behavior)	1,2,3,4
	Idealized Influence(attribute)	5,6,7,8
	Inspirational Motivation	9,10,11,12
	Intellectual Stimulation	13,14,15,16
	Individualized Consideration	17,18,19,20
Transactional Leadership Style	Contingent Reward	21,22,23,24
	Management by Expectation (Active)	25,26,27,28
	Management by Expectation (Passive)	29,30,31,32
Laissez- Faire		33,34,35,36

Source: MQL 5X questioner (Bass and Avolio 2006)/Literature reviews

The second type of questioner was used to identify the different factors of Job satisfaction level using JSS. JSS contain two parts, demographic parts which include Gender, Age, and Educational background of the participants. The second part contains 36 questions which will help us to identify the nine factors of job satisfaction with the rating from 1 (Disagree very much), 2 (Disagree moderately), 3 (Disagree slightly), 4 (Agree slightly), 5 (Agree moderately), 6 (Agree very much).

Table 2. Job satisfaction factors and items

JOB SATISFACTION FACTORS	ITEMS
Pay	1,2,3,4
Promotion	5,6,7,8
Recognition/contingent reward	9,10,11,12
Fringe Benefits	13,14,15,16
Working condition	17,18,19,20
Supervision	21,22,23,24
Co-worker	25,26,27,28
Nature of the work	29,30,31,32
Communication	33,34,35,36

Source: JSS questioner Spector (1999)/Literature reviews

3.5. Data analysis

The Quantitative data will be analyzed using the Statistical Packages for Social Science (SPSS version 20).The researcher used a descriptive statistics, correlation and regression analysis. The descriptive statistics shows which leadership style is the dominate factor and also in job satisfaction survey states whether employees are satisfied, ambivalent or dissatisfied. Using Pearson Coefficient of Correlation helps to measure correlation between the leadership style and Job satisfaction. Linear Regression does a set of predictor variables do a good job in predicting an outcome variable.

Baron and Kenny, (1986) expressed the relationship between the dependent variable, job satisfaction and the independent variable, leadership style is expressed as a linear combination of the independent variables plus an error term. The multiple regression models are expressed as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where Y=Job Satisfaction

X1= Transformational leadership

X2= Transactional leadership

X3= Liassez-faire

β S are coefficients of independent variables

e is a vector of errors of prediction

3.6. Reliability test

The call reliability is defined as consistency of measurement or stability of measurement over a variety of condition in which basically the same result should be obtained (Hoffman & Bateson, 2010; Jacob & Ulaga, 2008). Cronbach's alpha coefficient is the most popular and commonly used technique to estimate reliability or internal consistency of assessments and questionnaires in the behavioral sciences (Kurata H, Nam SH, 2010). Reliability of the questions has been checked before the distributed questionnaires were analyzed. George and Mallery (2003) provide the scale of Cronbach's alpha coefficient: ">0.9 excellent, >0.8 Good, >0.7 Acceptable, >0.6 questionable, >0.5 poor, and <0.5 unacceptable". Thus, the

usefulness of Cronbach's alphas for this study is above 0.7 for all scale variables, the data collected from respondents was reliable and consistent with the scale. In simple term the result is confirmed the reliability and consistency of the questionnaire. .

Cronbach's alpha was employed to test the reliability of the questionnaire and all of the questionnaire items were found to have a result higher than 0.7. This shows that the internal consistency of the items taken is good (Duffy, Duffy, and Kilbourne 2001). Duffy et al. (2001) asserted, Cronbach's α measure the consistency with which participants answers items within a scale and further stated, a high α (greater than .60) indicates that the items within a scale are measuring the same Construct. SPSS version 20 used to produce the values for Cronbach's α . The results of the reliability analysis are presented in in the following table. Based on the results of the reliability analysis, one can conclude that the items are internal consistence.

Table 3. Reliability Statistics

Construct	Number of items	Cronbach's α
Idealized Influence(Behavior)	4	0.775
Idealized Influence(Attributed)	4	0.751
Inspirational Motivation	4	0.853
Intellectual stimulation	4	0.830
Individual Consideration	4	0.702
Contingent Reward	4	0.837
Management by Exception (Active)	4	0.861
Management by Exception (Passive)	4	0.704
Laissez-faire	4	0.709

Source: SPSS result, 2020

According to the data generated from SPSS20 all the Cronbach's alpha results found to be greater than 0.7. This shows the internal consistency of the items taken is good so the result confirmed the consistency and reliability of the questionnaire.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

The objective of this study is to examine effects of leadership style on employee job satisfaction at CBE West Addis Ababa district. Accordingly this chapter presents and analyzes the data collected from the participants. The findings about the relationships/effects of leadership style with employee job satisfaction moreover relevant statistical analysis to answer the research questions will also be presented and analyzed.

Out of the total of 327 questionnaires that were distributed to the selected sample of employees 321 which is (98%) properly filled questionnaires were collected and used for the analysis. The data collected from the target population was analyzed using SPSS version 20. As a result of this, the responses of the participants regarding the independent and dependent variables were summarized using the mean and standard deviation whereas the demographic profile of the respondents is summarized using frequencies and percentage. In addition, correlation and regression analysis was used to identify the effect of independent variable on the dependent variable.

4.2. Demographic characteristics of the respondents

In this section, the personal and job related overall profile of the participants is presented. As it is presented in the following table the gender, age, educational back ground, work experience and job position of the participants presented using a descriptive statistics of frequency and percentage.

Table 4. Demographic information of respondents

S.N	Background	Distribution	Frequency	Percentage
1	Gender	Male	175	54.5
		Female	146	45.5
2	Age	Below 25	33	10.3
		26-30	177	55.1
		31-40	111	34.6
		41-50	0	0
		Above 50	0	0
3	Educational level	Diploma	20	6.2
		Degree	237	73.8
		Master	64	19.9
		PHD and above	0	0
4	Work experience	Below 1 year	0	0
		1-2 year	52	16.2
		3-4 year	100	31.2
		4-5 year	72	22.4
		5 and above	97	30.2
5	Job position	JO	45	14.0
		BBO/BOO	223	69.5
		SBBO/SBOO	53	16.5

Source: Survey data 2020

The above table shows that the major participants of the questionnaire are male which is 175(54.5%) and the number of female participants are slightly lower than male which is 146(45.5%). From this majority of the respondents are between the age of 26 to 30 which is 177(55.1%) and the others are below 25 is 33(10.3%), between 31-40 is 111(34.6%) and there is no respondents with the age of 41-50 and above 50 this doesn't mean there is no employee greater than 41 years old rather it is due to the reason the survey excludes managerial level employees. According to the data CBE west Addis Ababa district employees are less than the age of 40 and this shows that most of the employees are at the youngest age and they are energetic and can come up with the most innovative ideas that would help their company to grow. They can also cope-up with the technologies easily which is helpful for the organization.

As per the above table the majority of the participants are first degree holders 73.8%, and Master's Degree holders and diploma holders follows by 19.9% and 6.2% consecutively. There is no employee with PHD and above educational qualification in the survey.

Concerning work experience of respondents' majorities are between 3-4 years' experience which is 100(31.2%) and the rest are 97(30.2%) are above 5 years, 72(22.4%) are 4-5 year experience, 52(16.2%) are 1-2 years' experience. According to the survey there is no employee with less than a year experience. So it is important for the result because experienced employees can evaluate and rate their leaders better.

According to the result the majority of respondents 223(69.5) are at BBO/BOO (Branch Banking Officer or Branch Operation Officer) position followed by SBBO/SBOO (senior banking business officer or senior banking operation officer) which is 53(16.5%) and 45(14%) are JO (junior officer).

4.3. Descriptive statistics of the variables

The descriptive statistics was used to examine the mean and standard deviation of the responses of respondents on the MLQ and JSS. The MLQ scale contains 36 questions that ask the respondents their perception in the three dimensions of Leadership style (transformational, transactional and laissez-faire). Table 1 clearly stated which question states what kind of leadership style. The JSS contains the nine factors of employee job satisfaction (pay, promotion, supervision, benefit, recognition, working condition, co-worker, nature of the work and communication). Table 2 stated which question identifies which of the nine factors on the job satisfaction.

4.3.1. Dominant leadership style

Table 5. Mean and standard deviation on the dimensions of leadership

Dimensions of leadership	Min	Max	Mean	Standard deviation
Transformational Leadership style	0.00	4.00	2.0771	0.846166
Idealized Influence (Attributed)	0.00	4.00	2.1534	0.75830
Idealized Influence (Behavior)	0.00	4.00	2.0140	0.82974
Inspirational Motivation	0.00	4.00	2.5156	0.83651
Intellectual Stimulation	0.00	4.00	1.7259	0.91216

Individualized Consideration	0.00	4.00	1.9766	0.89412
Transactional Leadership	0.00	4.00	3.3141	0.92221
Contingent Reward	0.00	4.00	3.5483	0.88057
Management-By-Exception (Active)	0.00	4.00	3.1367	1.12039
Management-By-Exception (Passive)	0.00	4.00	3.2588	0.76568
Laissez-Faire Leadership Style	0.00	4.00	1.4836	0.98817

Source: survey data 2020

To indicate the dominant leadership style used by the managers of CBE west Addis Ababa district, mean scores of all the dimensions of leadership styles were computed. From above table, the highest mean score was that of Contingent Reward (M=3.54, S.D 0.88) followed by Management by Expectation (Passive) (M= 3.25, S.D=076).The third highest mean score was that Management by Expectation (Active) (M= 3.13, S.D=076). From this one can conclude that the dominant leadership styles were transactional leadership style followed by transformational leadership style. Thus, the data shows that transactional leadership style (contingent reward) was the most frequently used leadership style by managers of CBE followed by transformational leadership style.

Mean scores can also use to identify the effectiveness of a leader. The above table also shows that the mean scores of leadership styles along with corresponding standard deviation. The minimum score for transformational leadership is 0.10 and the maximum is 4.15.The mean score of transformational leadership style was 2.08 (SD= 0.84). The mean score of transformational leadership style ranges from 1.72 to 2.51 which means from the dimensions of transformational leadership style, intellectual stimulation (M=1.72, S.D=0.91) had the lowest mean score whereas inspirational motivation (M=2.51, S.D=0.84) had the highest mean score. However, Bass and Avolio, (1999) suggested that the ideal mean score required for good leadership is greater than 3 for all the dimensions of transformational leadership style. From this one can infer that the leaders of CBE were not effective with transformational leaders as such, because the mean score of all the dimensions of transformational leadership style were below the required level for effectiveness of leadership. Having transformational leaders in an organization is particularly essential in today's fast changing environment. Transformational leaders are necessary because they motivate others to work beyond what they think possible.

Transformational leadership is about motivating and raising the morals of both the leader and the followers. Such leaders pay great attention to the need and interest of those whom they lead. They strive to support their followers to reach their fullest potential (Bass, 1997; Northouse, 2013; Bass and Riggio, 2006).

The minimum scale for transactional leadership style was 0.08 while the maximum scale was 4.00. The average mean of transactional leadership style was 3.31 (S.D=0.92). From the dimensions of transactional leadership style contingent reward has the highest mean score (M=3.54, S.D=0.88) followed by management by exception (passive) which had mean score 3.25 (S.D=0.76) and the lowest mean score was recorded by management by exception (active) M=3.13, S.D=1.12. Contingent reward with the mean score of 3.31 (S.D=0.88) is the highest of all the remaining eight leadership dimensions so that it is possible to conclude as it is the dominant leadership style in which branch managers of CBE actually applying right now. Bass and Avolio (1995 and 2004) suggested that for transactional leadership to be effective its mean score should be not less than 2.5 even to be transactional leadership itself. The above data concerning the average mean of transactional leadership style (M=3.31) is exceeding this minimum requirement. Hence, the report shows that there is sufficient evidence to conclude that transactional leadership style is effective even if contingent reward leadership style is the dominant leadership dimension. In general it is possible to conclude that out of all parameters of leadership styles dimensions, contingent reward is the prevailing leadership practice fairly often used by branch managers in which reward and punishment is used alternatively as leadership style. In line to this, Bass (1985, 1998) argued that contingent reward leadership is based on economic and emotional exchange s by clarifying role requirements and rewarding desired outcomes. Contingent rewards is a constructive transaction (Bass, 1998), and it is reasonable effective in motivating followers, but to a lesser degree than the transformational leadership behavior.

The table also shows that laissez-faire leadership has the minimum scale of 0.0 and maximum scale of 3.50. The mean score of laissez-faire leadership was 1.48 (S.D=0.98). When the mean score is less than 1 as suggested by Bass and Avolio (1999) the Laissez- faire is effective, according to our data M=1.48 is slightly greater than what Bass and Avoilo puts. So it can be concluding that laissez-faire leadership were not effective leadership style in CBE.

4.3.2. Job satisfaction of respondents

The following table shows the satisfaction and dissatisfaction level of employees at their jobs using the nine factors pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, coworkers, nature of work and communication.

Table 6. Mean and standard deviation of job satisfaction

Job Satisfaction Factors	Min	Max	Mean	Standard Deviation
Pay	1.00	6.00	4.3217	1.04560
Promotion	1.00	6.00	3.5561	1.21384
Supervision	1.00	6.00	2.2967	1.10315
Fringe Benefit	1.00	6.00	3.6939	1.51772
Contingent rewards	1.00	6.00	3.2342	1.13327
Working Conditions	1.00	6.00	3.3326	1.00633
Co-worker	1.00	6.00	4.4688	1.26823
Nature of the Work	1.00	6.00	2.8084	1.15950
Communication	1.00	6.00	4.2640	1.03616

Source: survey data 2020

The lowest mean score from job satisfaction factors 2.29 and the highest were 4.47. The mean score for coworker was (M= 4.47, SD= 1.27). This mean score was the highest mean score among all the other facts of job satisfaction. The next highest mean score from the sub-variables was pay with mean score of 4.32 (SD= 1.04). The next mean scores are communication (M=4.26, S.D=1.04), fringe benefit (M=3.69, S.D=1.5), contingent reward (M=3.23, S.D=1.13), promotion (M=3.56, S.D=1.21), working condition (M=3.33, S.D=1.01), and nature of work (M=2.81, S.D=1.16) consequently. The lowest mean score was that of supervision (M=2.29, SD=1.10). For analysis purpose, Spector (2011) recommended that the six scales can be recoded into three. The scholar suggested that the average score from 1 to 3 is recoded into dissatisfied, from 3 to 4 as ambivalent and from 4 to 6 as satisfied (Bateh and Heyliger, 2014).

According to the data in table 6, employees of CBE are dissatisfied with job satisfaction factors nature of work and supervision, feel ambivalent on promotion, fringe benefit, contingent reward and working condition. They are satisfied with co-workers they are working with, the pay that the company offers and the communication between the

supervisors and the subordinates. The data shows that most of the employees are fall in the ambivalent situation and it can be concluded that employees of CBE west Addis Ababa district were neutral about their work.

4.4. Correlation analysis

The correlation analysis result was performed to see the association between Leadership style and job satisfaction. Therefore, the correlation analysis revealed the relationship between leadership styles with overall job satisfaction factors. According to Field 2005 when the correlation results two variables falls between -1 and 0, the two variables are negatively related. If the correlation results of two variables fall between 0 and 1, the two variables are positively related. Furthermore, it is stated that when correlations of 0.1–0.29 are considered small, correlations of 0.30–0.49 are considered moderate and correlations above= >0.5 are considered large. The correlations of the variables are shown in Table4.3, however, each variable correlates perfectly with itself, as evidenced by the coefficients of +1.00 at the inter section of a particular variables’ row and column.

Correlation coefficients say nothing about which variable causes the other to change. Although it cannot make direct conclusion about causality, we can take the correlation coefficient a step further by squaring it (Field, 2005). The correlation coefficient squared (known as coefficient of determination, R^2) is a measure of the amount of variability in one variable that is explained by the other. The correlation able shows that laissez-faire leadership style has a strong relationship with the employee working condition with significant value of $P.000^*$.

Table 7. Correlation between independent variable and dependent variable

		Transformational	Transactional	Laissez-faire	JSS
Transformational	Pearson	1	.367**	.182**	.476**
	Correlation		.000	.001	.000
	Sig. (2-tailed)				
	N	321	321	321	321
Transactional	Pearson	.367**	1	.407**	.609**
	Correlation	.000		.000	.000
	Sig. (2-tailed)				
	N	321	321	321	321
Laissez-faire	Pearson	.182**	.407**	1	.332**
	Correlation	.001	.000		.000
	Sig. (2-tailed)				
	N	321	321	321	321

JSS	Pearson	.476**	.609**	.332**	1
	Correlation	.000	.000	.000	
	Sig. (2-tailed)				
	N	321	321	321	321

Source: survey data 2020

According to the Pearson correlation result the association of independent variables with employee job satisfaction presented on the above table 4.8, the result of transactional leadership style with employee job satisfaction correlation coefficient is 0.609, this explain that there is positive relationship between the two variables. Transformational leadership correlation coefficient is 0.476, this result indicates that there is positive relationship between the two variables but it is less strong as compared to transactional leadership style. Laissez faire and employee job satisfaction correlation coefficient is 0.332; this explains that there is positive relationship between the two variables but the strength of correlation is less than the above two leadership styles. Hence the result implies there is a positive relationship between independent variables and employee job satisfaction. Based on our finding the most appropriate leadership style is transactional leadership style.

4.5. Regression analysis

Regression is a technique that can be used to investigate the effect of one or more predictor variables on an outcome variable. That is, it allows us to make statements about how well one or more independent variables will predict the value of dependent variable.

Regression analysis indicates that predictor variables explain the outcome variable. The regression analysis was made between the predictor variables which are the three different dimensions of Leadership style (transformational ,transactional and laissez-faire leadership) with the nine factors of Job satisfaction an outcome variable (pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, coworkers, nature of work and communication).

4.5.1. Normality test

Various statistical techniques applied to analyses the data in research. Different parametric and non-parametric tests are available to test the data. One can apply parametric test if population normally distributed in terms of the variable characteristics understudy which means distribution of population should be symmetrical. According to Kim, H.Y (2013) , interpretation of normality is based on the absolute value of skewness and substantial non-normality is referred for absolute value of skewness larger than 2 and absolute value of

kurtosis larger than 7. Thus, based on the result of the table below (table 8), the normality of the distribution is satisfied for this data.

Table 8. Descriptive statistics for normality

Descriptive Statistics					
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Transformational	321	-.368	.136	-.263	.271
Transactional	321	-.664	.136	1.198	.271
Laissez-faire	321	-1.038	.136	.512	.271
JSS	321	.125	.136	-.286	.271
Valid N (list wise)	321				

Source: survey data 2020

4.5.2. Autocorrelation assumption test

According to Bryman, (1988), the Durbin Watson statistic is a number that tests for auto correlation in the residuals from a statistical regression analysis. The Durbin-Watson statistics is found to be always between 0 and 4. The value 2 means that there is no auto correlation in the sample of the study. Values approaching 0 indicates positive auto correlation and values towards 4 indicate negative autocorrelation.

Table 9. Auto correlation assumptions test

Model	Durbin-Watson
1	1.062
a. Predictors: (Constant),Laissez-Faire ,Transactional	
b. Dependent Variable: Employee Job Satisfaction	

Source: SPSS result, 2020

From the above table 4.9 indicate that the value Durbin Watson statistic result is 1.062. Thus, this study has tested for assumption of Autocorrelation and as it can be seen there is positive auto correlation from the above result. Hence, the Auto correlation assumption is fulfilled.

The model summary table that can give us R, R², adjusted R², and the standard error of the estimate, helps us to identify the fitness of a regression model to the data. The multiple correlation coefficients, R, can be taken as one measure of the quality of the prediction of the outcome variable. The R² value (coefficient of determination) is the proportion of variance in the outcome variable that can be explained by the predictor variables.

The next table of the multiple regressions is analysis of variance which identifies that the overall regression model is a good fit for the data via F-ratio test.

Table 10. Overall Regression Analysis

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	.671 ^a	0.451	0.446	0.44610
Predictors: (Constant), Leadership Style				

Source: SPSS data, 2020

As a result of the above analysis R² explains that 45.1 % change in job satisfaction can be predicted by the three leadership styles.

Table 11. Coefficients of regression analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
Transformational Leadership Style	.194	.030	.288	6.434	.000
Transactional Leadership style	.336	.035	.466	9.672	.000
Laissez-fair Leadership style	.046	.023	.090	1.975	.049
a. Dependent Variable: Job Satisfaction					

Source: SPSS data, 2020

As shown on table 11, the results of regression regarding transformational leadership show that it has statistically significant and also positive effect on employee job satisfaction. Unstandardized Coefficients of transformational leadership is 0.194 which implies that on average a percent increase in transformational leadership will increase employee job satisfaction by 19.4% and vice versa. Thus, from the results it can be concluded that transformational leadership has positive effect on employee job satisfaction. This result strengthens the finding of Rigopoulos & Amp; et al (2008). And also the regression results indicate that transactional leadership has a positive and statistically significant effect on employee job satisfaction. Unstandardized Coefficients of transactional leadership is 0.336 which implies that on percent increase in transactional will increase employee job satisfaction by 33.6 percent and vice versa. The result indicates that leadership style can determine employee job satisfaction.

The result of regression regarding laissez-faire has appositive and significant effect on employee job satisfaction. The regression Unstandardized Coefficients of laissez-faire is 0.046 which implies that on average when a percent increase in laissez-faire will increase employee job satisfaction by 4.6 % and vice versa. The result indicates that laissez-faire can determine employee job satisfaction.

The result of regression analysis based on three independent variables (Transformational Leadership style, Transactional Leadership style and Laissez –fair Leadership style) is presented in the table 4.11. The leadership styles (independent variables) in contributing to the variance of the overall Job satisfaction (dependent variable) were explained by the standardized Beta coefficient.

Table 12. ANOVA regression analysis

ANOVA^a

Model		Sum squares	df	Mean square	F	Sig.
1	Regression	51.787	3	17.262	86.742	.000 ^b
	Residual	63.086	317	.199		
	Total	114.873	320			

a. Dependent Variable: JSS

b. Predictors: (Constant), Laissez-faire, Transformational, Transactional

The results for ANOVA reveals that F statistics is 86.74 with a p value of 0.000 implying that there is a significant influence of value-based leadership on job satisfaction. From statistical point of view the table of analysis of variance indicates that the overall significance or acceptability of the model is fit to the data, since the significance value of F statistics shows a value (.000), which is less than $p < 0.05$, the model is significant.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the summary of the findings from the analysis, the conclusion drawn from the finding of the study, recommendations and also suggestions for future practice.

5.1. Summary of findings

The general objective of this study was to investigate the effect of leadership style on employee job satisfaction. The main objective of the study is to assess the effect of leadership style on job satisfaction of employees of commercial bank of Ethiopia west Addis district. And the specific objectives of the study are:

- To assess the dominant leadership style at CBE through descriptive analysis of multifactor leadership questioner.
- To measure the level of employees' job satisfaction by using job satisfaction survey instrument.
- Determine the relationship between leadership style and Job satisfaction?
- To study the effect of leadership style (Transformational, Transactional and Laissez-faire) on employee job satisfaction.
- To find out which leadership style is better for job satisfaction in CBE

To examine the objectives above descriptive analysis expressed by the percentage and frequency applied so as to analyze the respondent's demographic parts while using the mean and standard deviation were able to identify the dominant leadership style and employees job satisfaction at Commercial Bank of Ethiopia West Addis Ababa district. Accordingly the results analyzed summarized as follows.

- The major participants of the questionnaire are male which 175 are (54.5%) and the number of female participants is slightly lower than male which 146 are (45.5%).

- Majority of the respondents are between the age of 26 to 30 which is 177(55.1%) and the others are below 25 is 33(10.3%), between 31-40 is 111(34.6%) and there is no respondents with the age of 41-50. So the participants of the study are non-management young work force.
- Majority of the participants are first degree holders 73.8%, and Master's Degree holders and diploma holder's follows by 19.9% and 6.2% consecutively.
- To indicate the dominant leadership style used by the managers of CBE west Addis Ababa district, mean scores of all the dimensions of leadership styles were computed. The highest mean score was that of Contingent Reward (M=3.54, S.D 0.88) followed by Management by Expectation (Passive) (M= 3.25, S.D=0.76). The third highest mean score was that Management by Expectation (Active) (M= 3.13, S.D=0.76). From this we can conclude that the dominant leadership styles were transactional leadership style.
- According to the descriptive analysis employees of CBE are dissatisfied with job satisfaction factors of nature of work and supervision, feel ambivalent on promotion, fringe benefit, contingent reward and working condition. They are satisfied with co-workers they are working with, the pay that the company offers and the communication between the supervisors and the subordinates. The data shows that most of the employees are fall in the ambivalent situation with factors mentioned above.
- The researcher has applied correlation and regression analysis to explain the relationship between the independent and dependent variables of the study which is effect of leadership style on employee job satisfaction.
- According to the researcher there is significant positive relationship between Leadership style and factors of job satisfaction as the empirical out puts of Pearson correlation signifies. The result indicates that there is significant positive relationship between the three dimensions of leadership style and employee job satisfaction. Especially Transactional leadership style has strong positive correlation with job satisfaction.
- The model used was found good fit for the data as justified by the result of regression analysis. Accordingly all the three leadership styles have a significant effect on employee job satisfaction.

5.2. Conclusion

According to the data analysis and discussion of the results the following conclusions are drawn:

- The result of this study shows that there is a positive relationship between transformational and transactional leadership styles and laissez-faire leadership style has negative relationship with employee job satisfaction. The subscales of leadership style were found that significant to employee job satisfaction.
- Hence, based on this research finding it is possible to generalize, that leadership behaviors' particularly dimensions of transactional and transformational styles have significant positive relationship with employee job satisfaction.
- Findings analyzed in the Pearson correlation matrix regarding leadership dimensions shows that Contingent reward with highest correlation, followed by management by exception-active, and management by exception-passive commonly called as transactional leadership style have better positive correlation with employee job satisfaction. As a result the study most dominantly exercised leadership style in commercial bank of Ethiopia is transactional leadership style.
- In view of the fact that various factors of leadership styles affect various aspects of employee job satisfaction, which in turn affect job performance, managers, supervisors, leaders and organizational heads should not stick to only one form of leadership style. A combination of the various leadership styles will bring more satisfaction and enhance employee performance. They should therefore find the appropriate combinations of the leadership styles that would achieve the organizational goals together with the individual targets or objectives of the employees.

5.3. Recommendation

Based on the findings and conclusions of this study, the researcher suggested the following recommendations which they possibly be considered by senior management of CBE to augment employee job satisfaction within the organization.

- CBE recommended to updating the leadership development program to enhance the knowledge and skills of their branch managers and supervisors to adopt transformational leadership style in addition to the transactional leadership widely exercised as long as it has been proved that transformational leadership style was not frequently used by them.

- Leaders of CBE recommended adopting the transformational leadership style if they want to improve and increase organization outcomes such as employee job satisfaction and organizational commitment of employees within the organization. Hence transformational leadership is superior about motivating and raising the morals of both the leader and the followers. Such leaders pay great attention to the need and interest of those whom they lead. They strive to support their followers to reach their fullest potential (Bass, 1997; Northouse, 2013; Bass and Riggio, 2006).
- It is recommended to organize continuous capacity building programs, like training, seminars, workshops and panel discussion need to be prepared to improve the competence level of the branch managers and supervisors about skills of leadership as a management function.
- Leaders of the bank especially branch level supervisors expected pay attention to individual differences among employees and need to provide tailor made coaching and treatment to qualify employees and increase productivity.
- The entire management of Commercial Bank of Ethiopia should frequently use contingent reward leadership dimension to gain better performance from satisfied employee using financial and non-financial rewards and punishments as an alternative leadership mechanism. However, more emphasize need to be given to psychological rewards such as recognition, appreciation, praise and others whenever their subordinates perform better so that they will relatively have job satisfaction.
- It is recommended that to excel the co-worker dimension of job satisfaction hence according to the respondents and analysis of this study, it is the most commonly and positively shared dimension for employee job satisfaction.
- Finally it is recommended that CBE must review nature of work i.e. job description and scope of the work in order to improve service quality and employee job satisfaction because the result of this study shows that employees are dissatisfied about nature of work dimension of job satisfaction . So managers expected to elicit maximum benefit out of this human element by creating conducive working environment and good relationship within employees.

5.4. Implication for further research

This research has been conducted in a way of case study, confined only in case of Commercial bank of Ethiopia. Hence, it is recommended: Future research, to be conducted on other financial institutions, so that the findings would be more comprehensive and the research result contribution is maximized.

REFERENCE

- Avery, G.C. (2004). *Understanding leadership: Paradigms and cases*. London:
- Avolio, B. J., Zhu, W., Koh, W., & Bhatia, P. (2004). *Transformational leadership and organizational commitment: Mediating role of psychological empowerment and moderating role of structural distance*.
- Avtgis, T. A., & Taber, K. R. (2006). I laughed so hard my side hurts, or is that an ulcer? “*The influence of work humor on job stress, job satisfaction, and burnout among print media employees*” *Communication Research Reports*, Vol. 23, pp. 13-18.
- Bass, B. M. & Avolio, B. J. (2000). *MLQ Multifactor Leadership Questionnaire*. Redwood City: Mind Garden.
- Bass, B.M. (1985). *Leadership and performance beyond expectations*. New York: Free Press.
- Bass B.M. (1997). *The ethics of transformational leadership, KLSP: Transformational Leadership*, Working Papers
- Bass, B. M., & Avolio, B. J. (1990). *The implications of transactional and transformational leadership for individual, teams, and organizational development*. *Research in Organizational Behavior*, 4, 231-272.
- Bass, Bernard M., Avolio, & Bruce J. (1994). *Improving organizational effectiveness through transformational leadership*, Sage Publications, Thousand Oaks, California.
- Bass, B., & Riggio, R.E. (2006). *Transformational Leadership (2nd ed.)*. Mahwah, N.J.: Lawrence Erlbaum.
- Bateh, J. & Heyliger, W. (2014). *Academic Administer Leadership Styles and the Impact on Faculty Job Satisfaction*. *Journal of Leadership Education*, pp: 34-49.
- Brockner J., (1988). *Self Esteem at Work*. Lexington, MA: D. C. Health and Company.
- Burns, J. (1978). *Leadership*. New York: Harper and Row Publishers.

Bushra, F., Usman, A & Naveed A. (2011).*Effect of Transformational Leadership on Employees' Job Satisfaction and Organizational Commitment in Banking Sector of Lahore (Pakistan)*.

Chen, P.Y. & Spector, P.E. (1991).Negatively affectivity as the underlying cause of correlations between stressors and strains. *Journal of Applied Psychology, Vol. 76, p.398-407*

Chiok, F. L. J., 2001. Leadership behaviors: effects on job satisfaction, productivity and organizational commitment. *Journal of Nursing Management, vol. 9(4), pp.191-204*.

Cranny, C.J., Smith, P.C. & Stone, E.F. (1992).*Job satisfaction: How people feel about their jobs and how it affects the performance*. Lexington Books, New York, NY.

C.R. Reilly, (1991) Organizational Behavior. Annual Review of Psychology, pp. 427- 458

Decremer, D. (2003).Why in consistent leadership is regarded as procedurally unfair: The importance of social self-esteem concerns. *European Journal of Social Psychology, Vol. 33, No. 4, p.535-550*.

Denton, Z. (2005). *Effects of Work and Work Environment on Homecare Workers Job Satisfaction, Stress, Physical Health and Retention*. Canadian Health Service Research foundation, pp.: 25.

DubrinA.J.(2001).Leadership:Researchfindings,practice,skills,3rded.,Boston,MA,HoughtonMifflin.

Ellickson, M.C. & Logsdon, K. (2001). *Determinants of job satisfaction of Municipal Government employees*. State and Local government Review. 33(3):173-184. Available at: <http://www.cviog.uga.edu/publications/slgr/2001/3b>.

Ellickson & Longsdon, (2002). *Determinants of job satisfaction of municipal government employees*. Public personnel management. Pp. 1297-1347

Fiedler, F.E. (1967). *A Theory of Leadership Effectiveness*. Mc Graw-Hill Book Company, New York.

Friday, S.S. & Friday, E. (2003). Racioethnic perceptions of job characteristics and job satisfaction. *Journal of Management Development*, Vol. 22, No. 5, pp. 426-442

Galup, S. D., Klein, G., & Jiang, J. J. (2008). The impact of job characteristics on is employee satisfaction: A comparison between permanent and temporary employees. *Journal of Computer Information Systems*, Vol. 48, No. 4, pp. 58-68.

Geib, P., &Swenson, J. (2013). *China: Transformational Leadership for Policy and Product Innovation*. *Advances in Management*, 6(5), 3-10

HarrisL.L. (2007). *The relationship of leadership communication on employee engagement and intent to stay*. Pro Quest Information & Learning, US

Hilgerman, R. (1998). *Communication satisfaction, goal setting, job satisfaction, concrete control, and effectiveness in self-managed teams*. *Dissertation Abstracts International*, Vol. 59, pp. 1661.

Hirschfield, R. R. (2000). *Does revising the intrinsic and extrinsic subscales of the Minnesota Satisfaction Questionnaire short form make a difference?* *Educational & Psychological Measurement*, Vol. 60, pp. 255-270.

Hoffman K.D, BatesonJ.EG, (2010). *Services Marketing: Concepts, Strategies, &Cases. Case bound, (4thed)*.Publisher: Cengage Learning .*Industrial and Organizational Psychology*, 1, pp. 3-30.

House, R.J., Mitchell. T.R. (1974).Path-Goal Theory of Leadership. *Contemporary Business*. Vol. 9(4):pp. 81-98.

Hussami, M.A.,(2008).A Study of job satisfaction: The relationship to organizational commitment,perceivedorganizational support,transactional leadership, transformational leadership and level of education, *European journal of Science and Research*, pp.: 286-295.

Javed, M., Balouch, R., & Hassan, (2014) Job Satisfaction and its Impact on Employee Performance and Turnover Intentions International Journal of Learning & Development ISSN 2164-4063, 4(2) www.macrothink.org.

Kalleberg, A.L. (1977). Work values and job rewards: a theory of job satisfaction.

Kim, H.Y (2013); Statistical Notes For Clinical Researchers ;*Assessing Normal Distribution (2) Using Skewness & Kurtosis*, Open Lecture On Statistics.

Kent, T.W., Crofts, J.C. and Aziz, A. (2001). “Four factors of transformational leadership behavior”, *Leadership & Organizational Development Journal*, Vol.22Issue: 5,pp.221-229

Kurata, H. & Nam, SH, (2010). Technique to estimate reliability or internal consistency of assessments and questionnaires in the behavioral sciences .*Int. J. Prod. Econ.* 127: 136-146.

Locke, E. A. 1976. *The nature and causes of job satisfaction*. In M. D. Dunnette (Ed.), *Handbook of Industrial and Organizational Psychology* (pp. 1297-1349).

Luthans, F. (2005). *Organizational Behavior (10th ed.)*. McGraw –Hill/ Irwin Publication.

Lee, N., & Ling, I. (2008). *Doing Business Research, A Guide to Theory and Practice*: SAGE Publications Ltd.

Madlock, P. E. (2006a). Do differences in displays of nonverbal immediacy and communicator Competence between male and female supervisors affects subordinates, job satisfaction? *Ohio Communication Journal*, Vol. 44, pp. 61-78.

Metzler, J. (2006). *The relationship between leadership styles and employee engagement*. Retrieved February 13, 2012, from San Jose State University.

McShane, S.L., Travaglione, A. & Olekalns, M.(2009),*Organizational behavior on the Pacific rim*, 3rd edition. , McGraw-Hill, North Ryde, N.S.W.

- Merton, R. K. (1969). The social nature of leadership. *The American Journal of Nursing*, 69(12), 2614. doi:10.2307/3421106
- Miftahuddin, A. A. A. P. M. (2016). The Effect of Transformational Leadership and Job Satisfaction on Employee Performance. *Universal Journal of Management Vol.4(4)*, pp. 189 –195
- Mondy, R. W. & Premeaux, S. R. (1995). *Management (7th ed.)*. Englewood-Cliffs-New Jersey: Prentice-Hall.
- Mosadeghrad, A. M. 2003. *Principles of Health Care Administration*. Dibagran Tehran, Tehran.
- Nahavandi, A. (2002). *The art and science of leadership, 3rd ed.*, Upper Saddle River, NJ, Prentice Hall
- Nikezić, S., Dašić, P., Bojic. B., (2012) "Contingency Leadership Approach: Paradigm for Change", 20th International Conference 'Economics and management based on new technology' EMoNT2012, SaTCIP (Scientific and Technical Center for Intellectual Property) Ltd., Vrnjačka Banja, Serbia,).
- Noor, M. S., (2009). *Determinants of Employee Retention in Telecom Sector of Pakistan*, CBRC, et al pp.: 18. .
- Northouse, G. (2007). *Leadership theory and practice. (3rd ed.)* Thousand Oak, London, New Delhe, Sage Publications, Inc.
- Northouse, P. G. (2010). *Leadership: Theory and practice (5th ed.)*. Thousand and Oaks, CA: Sage Publications, Inc.
- Northouse, P. G. (2013). *Leadership: Theory and practice, (6th edition)*. Sage publications Inc.
- Prentice, W. C. H. (2004). *Understanding leadership*. Inside the mind of the leader, 102-109.
- Richard Daft, (2008) the leadership experience. (4th edition) p4.
- Richmond, V. P., & McCroskey, J. C. (2000). *The impact of supervisor and subordinate immediacy on relational and organizational outcomes*. Communication Monographs, Vol. 67, pp. 85-95.

Richmond, P., McCroskey, J. C., Davis, L. M., & Koontz, K. A. (1980). *Perceived power as a mediator of management style and employee satisfaction: A preliminary investigation*. *Communication Quarterly*, Vol. 28, pp. 37-46.

Robbins, S.P. (1998). *Organizational Behavior: Contexts, Controversies, Applications*; P. 125
Prentice- Hall, USA

Robbins, S. P., Judge, T.A. & Sanghi, S. (2007). *Organizational Behavior*. (12thed.). India:
Pearson: Prentice Hall.

Robbins, S. (1997) “*Organizational Behavior*”, 7th edition, Prentice-Hall Inc., Englewood
Cliffs, New Jersey .pp. 421.

Shim, S., Lusch, R., & O'Brien, M. 2002. Personal values, leadership styles, job satisfaction and
commitment: an exploratory study among retail managers. *Journal of Marketing Channels*,
Vol.10, No. 1, pp. 65-87.

Simola, S., Barling, J., & Turner, N. (2012). Transformational Leadership and Leaders' Mode of
Care Reasoning. *Journal of Business Ethics*, 108, 229–237.

Smylie, M.A., Conley, S., and Mark, H.M. (2005). Exploring new approaches to teacher
leadership for school improvement. *Yearbook of the National Society for the Study of Education*,
101(1), 162-188. doi:10.1111/j.1744-7984.2002.tb00008.x

Statt, D. (2004). *The Rutledge Dictionary of Business Management*, (3rd edition). Rutledge
Publishing, Detroit, p. 78

Spector, P. E. (1997). *Job satisfaction: Application, assessment, cause, and consequences*.
Thousand Oaks, CA: Sage.

Tella A., Ayeni CO., & Popoola SO. (2007). *Work Motivation, job satisfaction and
organizational commitment of Library personnel in Academic and Research*. Libraries in OYO
State Nigeria.

Tims, M., Bakker, A.B. , & Xanthopoulou, D. (2011). Do transformational leaders enhance
their followers' daily work engagement? *The leadership quarterly*, 22, 121-131

Tordera, N., Gonzalez-Roma, V. and Peiro, J.M.(2008). The moderator effect of psychological climate on the relationship between leader-member exchange (LMX) quality and role overload. *European Journal of Work and Organizational Psychology, Vol. 17, pp. 55-72.*

Turner, J.R. & Müller, R. (2005). "The Project Manager's Leadership Style as a Success Factor on Projects: A Literature Review". *Project Management Journal, vol. 36, no. 2, pp. 49-61*

Wanous, J.P. and Lawler, E.E.(1972). Measurement and Meaning of Job Satisfaction. *Journal of Applied Psychology, pp95-105*

Wilderom,C.P.M., Berg D.V., & Peter T. (2004).*Defining, Measuring, and Comparing Organizational Cultures*. Internal Association for Applied Psychology, 53(4), 570-582.

Williams, E. (2004). *Mentoring and transformational leadership: The role of supervisory care and mentoring, Job and Vocational Behavior, pp.: 448-468*

Wilkinson, A.D., & Wagner, R.M.(1993), Supervisory leadership styles and state vocational rehabilitation counselor job satisfaction and productivity. *Journal of Rehabilitation counseling bulletin, Vol. 37(1), pp.15-24.*

Yammarino, & Francis, J. (1997). Models of Leadership for Sales Management. *Journal of Personal Selling & Sales Management 17(2), pp. 43-56*

Yukl, G. A. (1971). *Toward a Behavioral Theory of Leadership, Organizational Behavior and Human Performance.*

Yukl, G. (2006). *Leadership in organizations (6th ed.)*. Upper Saddle River, NJ: Pearson-Prentice Hall.

Yuki, G., (2010).*Leadership in organizations. 7th ed.* New York, USA

www.combank.et

www.cbe.portal

ANNEX
ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
DEPARTMENT OF BUSINESS LEADERSHIP

Dear Respondent,

The purpose of this questionnaire is to assess the leadership style of your managers and your job satisfaction. The questionnaire is designed to collect data for master's project with the title of *“The Effect of Leadership Style on Employee Job satisfaction the case of Commercial Bank of Ethiopia, West Addis Ababa District”*. So, you are kindly requested to give genuine and appropriate response. The researcher would like to assure you that the information you gave will be kept confidential and used only for academic purpose. The researcher is interested to thank you in advance for your cooperation and kindness.

This survey questionnaire contains three parts of statements intended to measure managers perceived leadership styles. In section ‘I’ you are asked to fill demographic information which will be used for statistical purpose only. In Section ‘II’ you will rate your manager/supervisor the extent to which he/she frequently demonstrate behaviors given and in section ‘III’ you will rate your agreement with each statement about job satisfaction.

General Direction:

- ◆ You are not required to write your name.
- ◆ Please read the statements carefully.
- ◆ For all Sections respond by putting a “√” mark in the blank space beside your choice.

Thank you for your Cooperation!

Meseret Assefa

Section I: Demographic Information:

Please kindly answer by putting a tick mark “√” to the following questions of your response in the box provided for each item.

1. Gender: 1.Male 2. Female

2. Age: 1.below 25 2. 26- 30 3. 31- 40 4. 41- 50 5.51 and above

3. What is your highest educational level attainment?

1. Diploma 2.Degree 3.Master 4. PhD and above

4. How long have you been working in CBE?

1. Below 1 year 2.1-2 year 3.3-4 year 4. 4-5 years 5.Above 5 years

5. What is the title of your job position?

1. JO 2. BBO/BOO 3.SBBO/SBOO

Section “II” Instructions: Leadership styles

This questionnaire provides a description of your manager’/supervisors’ leadership style. Thirty six descriptive statements are listed below. Judge how frequently each statement fit with him/her.

Put tick (√) mark by each statement that most represents the level to which you reveal the given behaviors using the scale given below. Please read throughout the list to get the feeling for how to rate each statement before you start. Note: no right or wrong answers, and your honest opinion are very important to the success of this study. All your responses will be confidential.

Multifactor Leadership Questionnaire (MLQ) Rater Form (5X-Short)

Rating Scale

Not at all	Once in a while	Sometimes	Fairly often	Frequently, if not always
0	1	2	3	4

No	Statement	Scale				
		0	1	2	3	4
	Idealized Influence (behavior)					
1	Talks about his/her most important values and beliefs.					
2	Stresses the importance of having a strong sense of purpose.					
3	Considers the moral and ethical consequences of decisions.					
4	Emphasizes the importance of having a collective sense of mission.					
	Idealized Influence (Attribute)					
5	Instills pride in me for being associated with him/her					
6	Goes beyond self-interest for the good of the group					
7	Acts in ways that builds my respect.					
8	Displays a sense of power and confidence					
	Inspirational Motivation					
9	Talks optimistically about the future					
10	Talks enthusiastically about what needs to be accomplished					
11	Articulates a compelling vision of the future					
12	Expresses confidence that goals will be achieved					
	Intellectual Stimulation					
13	Re-examines critical assumptions to questions when they are appropriate					
14	Seeks differing perspectives when solving problems					
15	Gets me to look at problems from many different angles.					
16	Suggests new ways of looking at how to complete assignments					

No	Statement	Scale				
		0	1	2	3	4
	Individual Consideration					
17	Spends time teaching and coaching					
18	Treats me as individual rather than just as a member of a group.					
19	Considers me as having different needs, abilities, and aspirations from others.					
20	Helps me to develop my strengths					
	Contingent Reward					
21	Provides me with assistance in exchange for my efforts					
22	Is specific about who is responsible for reaching performance targets					
23	Makes clear what one can expect to receive when performance goals are achieved					
24	Expresses satisfaction when I meet expectations					
	Management by Exception (Active)					
25	Focuses attention on mistakes and deviations from standards					
26	Concentrates his/her full attention on dealing with mistakes, complaints, and failures.					
27	Keeps track of all mistakes					
28	Directs my attention toward failures to meet standards					
	Management by Exception (Passive)					
29	Fails to interfere until problems become serious					
30	Waits for things to go wrong before taking action					
31	Shows that he/she is a firm believer in "If it isn't broke, don't fix it."					
32	Demonstrates that problems must become chronic before taking action.					
	Laissez-faire					
33	Avoids getting involved when important issues arise					
34	Is absent when needed					
35	Avoids making decisions.					
36	Delays responding to urgent questions					

Questions on job satisfaction

The following statements are designed to assess your satisfaction. Read each statement carefully and respond by tick (√) mark the level of scale that describes your satisfaction.

The scales are defined as follows:

Disagree very much	Disagree moderately	Disagree slightly	Agree slightly	Agree moderately	Agree very much
1	2	3	4	5	6

No	Statement	Scale					
		1	2	3	4	5	6
	Pay						
1	I feel I am being paid a fair amount for the work I do.						
2	Raises are too few and far between.						
3	I feel unappreciated by the organization when I think about what they pay.						
4	I feel satisfied with my chances for salary increases.						
	Promotion						
5	There is really too little chance for promotion on my job.						
6	Those who do well on the job stand a fair chance of being promoted.						
7	People get ahead as fast here as they do in other places.						
8	I am satisfied with my chances for promotion.						
	Recognition /Contingent Reward						
9	When I do a good job, I receive the recognition for it that I should.						
10	I do not feel that the work is appreciated.						
11	There are few rewards for those who work here.						
12	I don't feel my efforts are rewarded the way they should be.						

No	Statement	Scale					
		1	2	3	4	5	6
	Benefits						
13	I am not satisfied with the benefits I receive.						
14	The benefits we receive are as good as most other organizations offer.						
15	The benefit package we have is equitable.						
16	There are benefits we do not have which we should have.						
	Working Condition						
17	Many of our rules and procedures make doing a good job difficult.						
18	My efforts to do a good job are seldom blocked by red tape.						
19	I have too much to do at work.						
20	I Have too much paperwork						
	Supervision						
21	My supervisor is quite competent in doing his/her job.						
22	My supervisor is unfair to me.						
23	My supervisor shows too little interest in the feelings of subordinates.						
24	I like my supervisor.						
	Co – Workers						
25	I like the people I work with.						
26	I find I have to work harder at my job because of the incompetence of people.						
27	I enjoy my coworkers.						
28	There is too much bickering and fighting at work.						
	Nature of work						
29	I sometimes feel my job is meaningless.						
30	I like doing the things I do at work.						
31	I feel a sense of pride in doing my job.						
32	My job is enjoyable.						

No	Statement	Scale					
		1	2	3	4	5	6
	Communication						
33	Communications seem good within this organization.						
34	The goals of this organization are not clear to me.						
35	I often feel that I do not know what is going on with the organization.						
36	Work assignments are not fully explained.						