



ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**THE EFFECT OF LEADERSHIP STYLES ON EMPLOYEES JOB
SATISFACTION IN SELECTED NON-GOVERMENTAL
ORGANIZATIONS LOCATED IN ADDIS ABABA**

By: Elifaelaf Daniel

Advisor

Yohannes Workeaferahu (PHD)

July, 2021

Addis Ababa, Ethiopia

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

A THESIS SUBMITTED TO:

**ADDIS ABABA UNIVERSITY, COLLEGE OF BUSINESS AND
ECONOMICS IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION
(MBA)**

By: Elifaelaf Daniel

Advisor: Yohannes Workeaferahu (PhD)

Addis Ababa University
College of Business and Economics
MBA Coordination Office

The impact of leadership styles on employees' job satisfaction in selected Non-governmental organizations located in Addis Ababa

By: Elifaelaf Daniel

Approved by Board of Examiners

Dean, Graduate Studies

Signature and Date

Advisor

Signature and Date

External Examiner

Signature and Date

Internal Examiner

Signature and Date

Declaration

I, the undersigned, declare that this research project is my own work prepared under the supervision of Yohannes Workeaferahu (PHD). The paper has not been used for any other qualification. Sources have been appropriately acknowledged.

Elifaelaf Daniel

GSR/7940/12

Endorsement

This thesis, “The impact of leadership styles on employees’ job satisfaction in selected non-government organizations located in Addis Ababa”, has been submitted to Addis Ababa University, College of Business and Economics, MBA Program for examination with my approval as a university Advisor.

Acknowledgment

First and foremost, I would like to praise and thank the Almighty for giving me all I need to write this paper. My advisor Dr. Yohannes Workaeferahu , should also deserve thanks for his invaluable guidance and support throughout the study. The support and encouragement of my family and friends is also acknowledged. The respondents who participated in this study are greatly appreciated.

ACRONYMS AND ABBREVIATIONS

ACT - Action by Churches Together

CR - Contingent reward

EOC-DICAC- Ethiopian Orthodox Church Development and Inter Church Aid Commission

FRL - Full range leadership

LPC -Least preferred co-worker

II - Idealized influence

IS - Intellectual stimulation

IM -Inspirational motivation

LF - Laissez faire

JSS - Job satisfaction survey

MLQ - Multifactor leadership questionnaire

MBE (P) - Management by exception (Passive)

MBE (A) - Management by exception (Active)

NGO - Non- government organizations

SPSS- Statistical package for social science

VIF- variation inflation factor

Table of Contents

Abstract.....	x
CHAPTER ONE	1
1. INTRODUCTION.....	1
1.1 Background of the study	1
1.2 Background of the organizations under study.....	3
1.3 Statement of the problem	4
1.4 Research Questions	6
1.5 Objectives	6
1.6 Significance of the study	7
1.7 Scope of the study	7
1.8 Limitations of the study	7
1.9 Organization of the study	7
2. LITERATURE REVIEW	8
2.1 Concept and definition of leadership	8
2.2 Theoretical review	9
2.3 The full range of leadership model	10
2.3.1 Transformational approach to leadership.....	11
2.3.1.1 Components of transformational leadership	11
2.3.2 Transactional leadership	14
2.3.3 Laissez – faire leadership (LF).....	15
2.4 Job satisfaction.....	16
2.4.1 Theories of job satisfaction	17
2.4.1.2 Herzberg two factory theory	18
2.4.1.3 Organizational justice	18
2.5 Sources of job satisfaction	18
2.6 Empirical evidence.....	22
2.7 Conceptual framework.....	23
CHAPTER THREE	25
3. RESEARCH METHODOLOGY	25
3.1 Research approach	25
3.2 Research design	25
3.3 Population and Sampling Method.....	25

3.4 Sources of data	27
3.5 Data collection instrument	27
3.5.1 The Multifactor Leadership Questionnaire (MLQ).....	27
3.5.2 The Job Satisfaction Survey.....	29
3.6 Data Analysis	30
3.6.1 Descriptive Analysis	30
3.6.2 Correlation analysis.....	30
3.6.3 Regression analysis	30
CHAPTER FOUR.....	32
4. RESEARCH FINDINGS AND INTERPRETATION OF RESULTS	32
4.1 Validity and Reliability analysis	32
4.2 Response rate	33
4.3 Demographic characters.....	34
4.4 Descriptive statistics of the variables.....	35
4.5 Correlation analysis	38
4.6 Regression analysis.....	42
4.7 Assumptions Testing in Multiple regressions.....	42
4.7.1 Normality Test	42
4.7.2 Auto correlation test.....	43
4.7.3 Multi-collinearity test.....	43
4.7.4 Assumptions of homoscedasticity.....	45
4.7.8 Linearity test	45
4.8 Discussion.....	49
CHAPTER FIVE	53
5. SUMMARY CONCLUSIONS AND RECOMMENDATIONS.....	53
5.1 Summary of findings.....	53
5.2 Conclusion	55
5.3 Recommendation	56
5.4 Recommendations for future studies.....	57
References.....	58
APPENDICES	65
Appendix 1 - Multiple regression output	65
Appendix 2- Questionnaires.....	66

List of tables

Table 3.1 Target population	26
Table 3.2 Sample size distribution of target population	27
Table 3.3 Multifactor leadership questionnaire	28
Table 3.4 The Job Satisfaction Survey.....	29
Table 4.1 Reliability statistics	33
Table 4.2 Response rate	34
Table 4.3 Returned questionnaires.....	34
Table 4.4 Demographic characters of respondents	34
Table 4.5 Mean and standard deviation of transformational, transactional and laissez faire leadership	35
Table 4.6 The Mean and standard deviation of dimensions of job satisfaction	37
Table 4.7 The Mean and standard deviation of job satisfaction	37
Table 4.8 Magnitude of correlation coefficients	39
Table 4.9 Correlation analysis between dimensions independent variables and job satisfaction	40
Table 4.10 Durbin Watson statistics	43
Table 4.11 Collinearity statistics test of independent variables	44
Table 4.12 The Model summary of the regression result.....	47
Table 4.13 The ANOVA output of the regression analysis.....	47
Table 4.14 Coefficients of the multiple regression model result.....	48

List of figures

Figure 2.1 Conceptual framework	24
Figure 4.1 Histogram	43
Figure 4.2 Scatterplot of standardized residuals	46
Figure 4.3 Scatterplot of standardized residuals for linearity.....	46

Abstract

This research was undertaken to examine the impact of transformational, transactional and laissez faire leadership styles on employees' job satisfaction. The research includes five organizations which are members of ACT alliance. The participants were staff level employees', supervisors and managers currently working in Dan Church Aid, Norwegian Church Aid, Swiss Church Aid, Ethiopian Orthodox Church – Development and Inter-Church Aid Commission (EOC-DICAC) and Christian Aid located in Addis Ababa. Quantitative research approach and descriptive and explanatory research design were used in the study. The data was collected from 150 respondents of the five organizations and a close ended questionnaire was used to collect data. The study finding indicated that transformational leadership is the most practiced leadership style in the organizations. The results of correlation analysis revealed that a positive and significant relationship is found between idealized attribute, idealized behavior, inspirational motivation, intellectual stimulation, management by exception (active) and job satisfaction. Whereas management by exception (passive) and laissez faire had negative and significant relation with job satisfaction, Individualized Consideration had a negative and statistically insignificant relation with job satisfaction. The multiple linear regression analysis revealed that the model explains 79.5% of variance in the dependent variable. Out of nine predictors used five are significant predictors of job satisfaction. These are idealized behavior, inspirational motivation, intellectual stimulation, management by exception (passive)& management by exception (active). Idealized attribute, laissez faire, individualized consideration, and contingent reward are found to be insignificant predictors of job satisfaction. The study recommends that the organizations should practice inspirational motivation, idealized behavior, intellectual stimulation and dimension of transactional leadership namely, management by exception (Active)..

.Key words; laissez faire leadership, idealized attribute, idealized behavior, inspirational motivation, job satisfaction, intellectual stimulation, individualized consideration, contingent reward, MBE (A), MBE (P)

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the study

Burns (1978) described leadership as the process by which leader and employees get changed. Leadership is often associated with dynamism, creativity, focus on people and establishing direction of a group while management is concerned with planning, efficiency and control. A leader is a person showing a positive approach and ability to solve problems. Leaders are concerned on the current situation and effective organizations require both tactical and strategic thinking as well as culture building by its leader, the leader is responsible to construct a culture that is dedicated to support the vision of the organizations (Bass & Avolio, 1993).

The efficiency of a leader determines the success of an organization and one of the qualities of effective leadership is marking effective followers. Leaders are responsible in the establishment of direction in a group and followers to perform the tasks (Hackman & Johnson 2004).

Bass and Riggio (2006) suggest that the reason for wider acceptance of transformational leadership is its emphasis on intrinsic motivation and follower development, which fits the needs of today's work groups, who want to be inspired and empowered to succeed in times of uncertainty(Northouse,2016).

Leaders provide situations in which followers contribute their creativity and make them feel that they belong to the organization. They assess followers in terms of a broader approach to their work and development. They redefine the criteria for tasks and responsibilities by changing the situation and they motivate followers personally through intangible factors such as inspirational ability to work with the leader as a reward on a certain subject (Hackman & Johnson 2004).

Transformational leadership is a process that changes and transforms people. It is concerned with emotions, values, ethics, standards, and long-term goals. It includes assessing followers' motives, satisfying their needs, and treating them as full human beings. Transformational leadership involves an exceptional form of influence that moves followers to accomplish more

than what is usually expected of them. It is a process that often incorporates charismatic and visionary leadership (Northouse,2016).

Transactional leadership is one component of FRL model that occurs when the leader rewards or disciplines a follower based on their performance. Transactional leadership is based on contingent reinforcement, either positive contingent reward or the more negative active or passive forms of management-by-exception (Avolio & Bass, 2002).

Laissez-Faire leadership is the most inactive form and the most ineffective form of leadership. It is the avoidance or absence of leadership, but essential component to the full-range leadership model is the fact every leader displays each style to some extent. (Avolio & Bass, 2002).

Job satisfaction causes a series of influences on various aspects of the organization and employees some of which are employee productivity, loyalty and absenteeism. (Curphy, Ginnett & Huges, 2007). Job satisfaction refers to the attitude and feelings people have towards their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

The Hawthorne studies (1933) of employee satisfaction found strong evidence that workers satisfaction with work groups and supervisors influence their performance (Feldman & Arnold 1983).

This research is conducted to examine the degree of effect of leadership styles (Transformational, transactional, laissez faire and their dimensions) on employees' job satisfaction.

1.2 Background of the organizations under study

A non-governmental organization (NGO) is a non-profit group that functions independently of any government. NGOs, sometimes called civil societies, are organized on community, national and international levels to serve the society.

It is now well recognized that NGOs are development partners of national governments and multilateral organizations like the World Bank because of their on the ground presence and firsthand knowledge of the needs and interests of the poor. NGOs provide a critical link between governments and project beneficiaries. They contribute a great deal to the advancement of people including improvement of the quality of life and the promotion of social justice, particularly for those who are disadvantaged and marginalized.

NGOs first began working in Ethiopia in 1973-74 and 1984-85 to mitigate the effects of the droughts during those periods. However, their emergency response and relief activity roles gradually declined and began concentrating in rehabilitation and development work. They are also being involved in advocacy, human rights and civic education.

There is no generally accepted definition of faith-based Organizations; they are characterized by having one or more of the following;

- Affiliation with a religious body;
- A mission statement with explicit reference to religious values;
- Financial support from religious sources; and/or a governance structure where selection of board members or staff is based on religious beliefs or affiliation and/or decision-making processes based on religious values. (Ferris, 2005).

Faith-based organizations are particularly important in Ethiopia to introduce development initiatives since a large portion of the people are believers. Initiatives such as family planning work and prevention of early marriage have better chances of acceptance when handled by faith-based NGOs rather than secular NGOs.

The NGOs under study are members of Action of churches together (ACT Alliance). It is the largest coalition of Protestant and Orthodox churches and church-related organizations engaged in humanitarian, development and advocacy work in the world, consisting of more than 130

members working together in over 120 countries to create positive and sustainable change in the lives of poor and marginalized people regardless of their religion, politics, gender, sexual orientation, race or nationality in keeping with the highest international codes and standards.

In Ethiopia it has 11 members and based on the willingness of the organizations to participate in the study five are selected. These are Dan Church Aid, Norwegian Church Aid, Christian Aid, Swiss Church Aid (HEKS) and Ethiopian Orthodox Church – Development and Inter-Church Aid Commission (EOC-DICAC).

These organizations have been supporting communities and brought about a significant impact on the lives of the people of Ethiopia for more than 30 years in partnership with local churches and other faith based organizations.

Organizational goals will be achieved by the effective performance of satisfied employees. This study will identify the type of leadership style that will cause job satisfaction in these organizations.

1.3 Statement of the problem

There are different leadership styles that are related to employee's job satisfaction. The absence of good relationship between leaders and employees cause lack of motivation, low staff empowerment, low self - esteem, poor performance and turnover.

Employee satisfaction is a measure of workers' contentedness with their job, whether they are satisfied with the nature of the job or supervision (Spector, 1997). Herzberg's theory of motivation claimed that the absence of pay, relation with others, working condition, fringe benefits and type of supervision cause dissatisfaction among employees (Graham & Bennett 1991).

According to Quarter & Richmond, (2001) the vision and mission of for profit organizations and non-profit organizations are different. Profit organizations are largely earnings driven whereas NGOs are driven by Social mission. This difference suggests that effective leadership in non-profit organizations is likely to differ to leadership in for profit organizations (Islam, Sarros, Merloa & McMurray, 2010).

Several researches were conducted to assess the types of leadership styles on the satisfaction level of employees in different parts of the world as well as in Ethiopia.

In Ethiopia, the impact of leadership styles such as transformational, transactional and laissez fair has been studied in higher education institutions, in private and government owned banks and other government institutions but few researches have been conducted on in non-governmental organizations and the problem should be addressed more in these organizations.

Fasika Yalew (2016) conducted a research in program for Appropriate Technology in Health (PATH) Ethiopia the findings show that employees' job satisfaction was positively related to transformational and transactional leadership styles. The results also note that employees were more satisfied by transformational than by transactional leadership styles.

Ruth W/Tesenay (2014) in a study conducted in PEPFAR Implementing University Partners. The findings show that transformational and transactional leadership styles positively influence job satisfaction of employees' and they preferred transformational leadership style over transactional leadership style. Both findings showed that positive relationship existed between both transformational and transactional and employees' job satisfaction, but employees prefer transformational over transactional leadership style.

Limited literature is available related in non-governmental organizations and specifically in faith- based non-governmental organizations in Ethiopia. This study is conducted to examine the relationship of each dimensions of full range leadership model on job satisfaction in faith- based non-governmental organizations located in Addis Ababa and it will help mitigate the gap of information in these organizations. Previous findings by Fasika yalew(2016) & Ruth W/Tesenay (2014) show the impact of transactional, transformational, and laissez faire leadership style but this study is focused on the measurement of the effect of the nine dimensions full range leadership model on job satisfaction.

Other researches indicate that there is a positive relationship between leadership styles and employees job Satisfaction. Based on the above findings this research aim is to find out which leadership style has an impact on employees' job Satisfaction in non-government organizations located in Addis Ababa.

1.4 Research Questions

The research answered the following questions

- 1) Which dimensions of transformational, transactional and laissez faire leadership style is highly related to job satisfaction?
- 2) What is the effect of dimensions of transformational leadership on employee's job satisfaction?
- 3) What is the effect of dimensions transactional leadership on employees' job satisfaction?
- 4) What is the effect of laissez faire leadership on employees' job satisfaction?

1.5 Objectives

1.5.1 General Objective

The major objective of the research is to establish the impact of leadership styles on employee's job satisfaction

1.5.2 Specific Objectives

- To examine the relationship between the dimensions of transformational, transactional and laissez faire leadership style on employees' satisfaction.
- To examine the effect of dimensions of transformational leadership style on employees job satisfaction
- To examine the effect of dimensions of transactional leadership style on employees job satisfaction
- To examine the effect of laissez faire leadership style on employees job satisfaction.

Hypothesis

H_{1a}=Individualized consideration has significant effect on job satisfaction

H_{2a}= Inspirational motivation has significant effect on job satisfaction

H_{3a}= Idealized attribute has significant effect on job satisfaction

H_{4a}=Intellectual stimulation has significant effect on job satisfaction

H_{5a}=Idealized behavior has significant effect on job satisfaction

H_{6a}=Contingent reward has significant effect on job satisfaction

H_{7a}=Management by exception (passive) has significant effect on job satisfaction

H_{8a}=Management by exception (active) has significant effect on job satisfaction

H_{9a}=Laissez faire has significant effect on job satisfaction

1.6 Significance of the study

The research is conducted to determine the existing leadership style that is practiced in the five non-government organizations and the level of job satisfaction. This study will benefit the organizations to identify which leadership style has an impact on employees' job satisfaction level. The organizations will also identify and develop the best leadership style that contributes to employee's job satisfaction. Future researchers who intend to explore the subject further will also benefit from this study.

1.7 Scope of the study

This study investigates the degree of effect of the nine dimensions of full range leadership model on employees' job satisfaction. Quantitative research approach and explanatory research design is used to quantify the relationship between leadership style dimensions and job satisfaction. The research includes employees' currently working in Dan Church Aid, Norwegian Church Aid, Swiss Church Aid, Ethiopian Orthodox Church – Development and Inter-Church Aid Commission (EOC-DICAC) and Christian Aid located in Addis Ababa.

1.8 Limitations of the study

From the members of ACT alliance the organizations under study are five members who were willing to participate. Due to COVID-19 pandemic the distribution and collection of questionnaires was a constraint and the sample size is limited this leads to limited generalizations.

1.9 Organization of the study

The paper consists of the following five chapters, with each chapter containing its own components: Chapter one covers the topics of background of the study, the problem statement, the questions to be answered, objectives, the scope, significance and the study limitations. Chapter two covers literature review & conceptual framework. Chapter contains the methodology used. Chapter four covers the analysis and interpretation of the data. Chapter five includes the summary, conclusion and recommendation.

CHAPTER TWO

2. LITERATURE REVIEW

Here the focus is on theoretical review and empirical evidence. The theoretical review shows concept, definition and theories of leadership. The empirical evidence shows the relationship between leadership style and employee satisfaction studied by other researchers.

2.1 Concept and definition of leadership

Leadership is a complex issue involving the leader, the followers and the situation. Some definitions focus on the personality of a leader, others emphasize the relationship between leaders and followers while still others concentrate on the effect of situation. Definitions emphasizing situations suggest that the environment has a much greater impact on the success or failure of organizations than leaders or followers and their relationship.

Leaders' emphasize on exercising of influence on the behavior of individual or groups. They influence the goals of a group and collaboration to reach goals (Hackman & Johnson 2004).

Leadership has been defined in many ways for example (Bennis, 1959) defines leadership as “the process by which an agent induces a subordinate to behave in a desired manner. Leadership is defined from different perspectives, Bass (1990, pp. 11–20) as cited by (Northouse, 2016) suggests the leader is at the centre of group change and activity and embodies the will of the group. Leadership from a personality perspective suggests that it is a combination of special characteristics that individuals display. These characteristics stimulate others to perform tasks. (Northouse, 2016).

Some consider leadership as behaviour, while others look at it from an information-processing perspective or relational standpoint. Leadership is defined as an act that leaders do exert to bring change in a group. (Northouse, 2016). It is viewed as a transformational process that stimulates followers to achieve more than expected performance. Leadership from a skills perspective is defined as the knowledge and skills of a leader that makes effective leadership possible (Northouse, 2016).

Leadership has rational and emotional aspects. Human beings show both reason and passion in their activities. Hence good leadership includes a combination of both in their right proportion or balance. The various types of definition of leadership indicate that there is no correct definition. They, however, show a number of factors that are involved in leadership and the different angles from which to examine leadership.

Leadership and followership recent trends indicate that leadership is not restricted on influencing others. Both leaders and followers are intimately related in the process of leadership and cannot be separated. Generally, leaders with employee-centered behavior have more satisfied subordinates. At the same time, task oriented or people centered leadership depends on existing situations. Hence, there are no permanent rules for leadership behavior that lead to success.

2.2 Theoretical review

- **Trait approach** – Leadership before the 1900's was based on observation, a series of comments, explanations, and opinion. This approach was popular till the end of 1940's. In the early 20th century, studies were undertaken to find out what makes to find out the traits or characteristics that determine great men. Consequently studies focused on great political, social and military leaders. It was believed that the in-born qualities of these people were what made great men. The trait approach was considering individual physical and psychological features as indicators of leadership potential. However, this approach was challenged in the mid-20th century, and Stogdill (1948) came out with the idea that the traits which differentiated leaders from others were not consistent and noted that a leader in one situation might not be the same in other situations (Northouse, 2016).
- **Behavioral approach** - This approach says that leadership consists of two kinds of behaviors. They are task and relational behaviors. Task facilitates goal accomplishment by helping people to achieve their objectives. Relational behavior helps followers to be comfortable with themselves, each other and the situation in which they are in. The focus of behavioral approach is to show how leaders combine the two types of behaviors to influence followers (Northouse, 2016).

- **Fideler's contingencies theory** – According to this theory leadership style and the demand of the situation determine the group effectiveness of group task performance. It is based on situational control by which the leader controls the situation and what the group does. Least preferred co-worker (LPC) is an instrument used to measure basic leadership style. It is argued that leaders with high LPC score have relationship-motivated leadership style and those with low LPC score indicate task-motivated style.
- **Path-goal theory** - According to Northouse (2016) in this theory the leader has the responsibility to communicate with followers about their responsibility and provides them the path to reach their goal by motivating and increasing follower satisfaction.
- **Situational approach** explains that leadership effectiveness depends on situational factors such as personality, behavior of followers, nature of task and many others. Therefore a leader's ability to produce an intended outcome changes with different situations. (Hackman & Johnson 2004).

Situational leadership theory of Paul Hersey and Kenneth Blanchard argue that based on the readiness of followers to perform a task leader should emphasis on task and relationship behavior (Schermerhorn, Temper, Cattaneo, Hunt & Osborn, 1992).

2.3 The full range of leadership model

The full range leadership model was first launched in 1990. Avolio, (1990), defined full range leadership development as “a comprehensive life-span process that involves the accumulation of unstructured and structured experience and their impact on the maturation of both leaders and followers.” This model focuses on building leaders of higher moral character. Leaders with higher moral character and maturity will involve in developing of oneself to develop others (Day, Zaccaro & Halpin, 2004).

The basic assumption of full range leadership model says that in order for leaders to systematically and reliably transform followers they must understand how to challenge followers needs and raise their capabilities to their full potential. “Leaders must know the need, capabilities and aspirations to challenge them and develop them into leaders” (Avolio, 1999). According to Bass & Riggio, (2006) the basic to this model is that every leader displays each style to some

amount. FRL model contains the four components of transformational leadership, three transactional leadership components and laissez faire leadership.

2.3.1 Transformational approach to leadership

In the late 1970's transformational leadership appeared as a new perspective. According to James MacGregor Burns (1978), leadership can be classified in two, namely, transformational or transactional. Transactional leaders work by offering benefits, such as financial rewards to followers or subordinates who score good results and denying rewards, to those who fail to do so. On the other hand transformational leaders encourage their followers not only to achieve excellent results, but also to develop their own leadership ability. Transformational leaders empower their followers by responding to their individual needs and by synchronizing their goals and objectives with that of the leader and the organization as a whole (Bass & Riggio, 2006).

Bass & Avolio (1990), say Transformational leadership is concerned with developing followers to perform their best. Transformational leadership offers challenging tasks and usually achieves higher results, and it tends to have more committed and satisfied followers. This kind of leadership produces innovative problem solvers and develop the leadership capacity of followers by coaching, mentoring, and by offering both challenge and support (Bass & Riggio, 2006).

According to Bernard Bass writing based on the responses of employees' and colleagues' on the Multifactor Leadership Questionnaire (MIQ) managers who act like a transformational leaders are more likely to be considered by their followers as satisfying and effective leaders than those who act like transactional leaders (Bass, 1990).

2.3.1.1 Components of transformational leadership

Transformational leaders engage to achieve superior results by using one or more of the following core components.

Idealized influence (II) - Transformational leaders act as a role model to other followers. At the same time followers receive that their leaders have inherent qualities which they want to emulate. These include extraordinary capabilities, persistence and determination. Hence idealized influence has two parts, the leader behavior and the qualities as attributed to the leaders

by followers. These two aspects can be measured by the multi factor leadership questionnaire (Bass & Riggio, 2006).

The leaders do consider the needs of others over his/her own personal needs. They share risks with followers and are consistent rather than arbitrary. They display high standards of ethical and moral conduct and followers trust them to do the right thing. They use his or her power only when needed and abstain from using power for their personal benefit (Avolio & Bass, 2002).

Transformational leaders act in ways that make them role models for their followers. Such leaders are admired, trusted, and respected. Followers themselves identify with these leaders and want to imitate them. (Avolio & Bass, 2002). Idealized attribute is one of the dimensions of transformational leadership that contribute to leadership effectiveness. (Sadeghi, & Pihie, 2012)

Inspirational motivation (IM) - Transformational leaders behave in a way that motivate and inspire followers. They give purpose and present challenge to the work of followers thus creating enthusiasm and optimism (Bass & Riggio, 2006). They become role models for followers and inspire them to commit themselves to work hard for the organization. Leaders help followers achieve more than they would on their own self-interest (Northouse, 2016).

Transformational leaders provide meaning and challenges to their followers' work team spirit. They make followers to be engaged in envisioning attractive future states. The leader exchanges about his/her followers thought on their expectations of what they want to meet, and demonstrates commitment to goals and the shared vision (Avolio & Bass, 2002).

Intellectual stimulation (IS) - Transformational leaders try to make followers inquisitive by encouraging them to question assumptions and reframe problems. They also refrain from public criticism of individual work and seek creative solutions from followers for solving problems. Northouse (2016) says that this type of leadership as, leaders inspire or encourage employees to challenge their leaders and organization through creativity and innovative ways dealing with organizational issues. Leaders encourage followers to try new approaches, and their ideas are not criticized if they vary from the leader's ideas (Avolio & Bass, 2002). (Omar & Hussin, 2013) identified the relationship between transformational leadership and job satisfaction and findings prove that intellectual stimulation is positively related with job satisfaction (Omar & Hussin, 2013).

Individualized consideration(IC)- Transformational leaders give particular attention to individualized needs of followers to encourage greater achievement and growth for which purpose they coach or mentor followers.

According to individualized consideration it is practiced by creating new learning opportunities along with a supportive climate. Leaders consider the individual as a whole person rather than as just an employee. Individual differences with regard to needs and desires are acknowledged. Personalized interaction with followers is increased and leaders are aware of individual concerns (Avolio & Bass, 2002). Inspirational motivation, individualized consideration, intellectual stimulation, MBE (A), laissez faire and idealized attribute are predictors of leadership effectiveness (Sadeghi & Pihie, 2012).

Characteristics of transformational leadership include being creative, interactive, visionary, empowering and passionate. They try to find out for new ideas and products. They empower followers, they encourage involvement and participation. According to Bass and Avolio three corollaries have been supported by different cultures are given below Hackman & Johnson (2004, p.122).

1. Transformational are more effective than transactional
2. Transformational add value to transactional but the inverse is not true, i.e. transactional does not add value for transformational.
3. When people are asked about leadership, they describe it as the traits and characters of transformational leaders.

There is a large amount of evidence which support that transformational leadership is more effective than transactional leadership. However transactional leadership can also be effective in most instances. According to Bass (1985) there is a relationship between the two leadership styles. Transformational leadership augments transactional leadership in predicting effects on follower satisfaction and performance.

A study conducted by (Voon,Lo, Ngui &Ayob ,2011) in Malaysian public sector organizations identified that transformational leadership style has a stronger relationship with job satisfaction than transactional leadership(Voon,Lo, Ngui &Ayob ,2011).

Transformational leadership provides a positive augmentation in leader performance globally in spite of cultural and organizational factors that can affect the impact of this type of style. This is because authentic transformational leadership has goals that transcend their own self-interest and work towards achieving the common goals of their followers. The size of the organization may have an effect on transformational leadership. One study showed that the impact of transformational leader vision is more positive in smaller organizations. This may be due to the fact that the leader may have more contact with followers in smaller organization than larger ones (Berson, Shaimer, Avolio & Pooper, 2001).

(Avolio & Bass, 2002), note all four forms of transformational leadership are more effective than is constructive transaction. Inspirational leadership and idealized influence are considered to be satisfying and most effective forms of transformational leadership. Whereas individualized consideration is less effective. Management by exception (Active) is arranging to monitor the performance of followers is a less effective form and satisfying, but passively waiting for problems to happen is an ineffective and dissatisfying form of leadership style. (Avolio & Bass, 2002).

2.3.2 Transactional leadership

It is the rewarding of followers according to their performance, i.e., rewards are given when performance is adequate and disciplinary action is taken when it is inadequate. Transactional leadership satisfies followers with physiological, safety, and of belongingness.

This leadership style depends on contingent reinforcement. It can be either active contingent reward (MBE-A) or Passive (MBE-P). (Bass & Riggio, 2006).

“Transactional leaders use reward and punishments to gain compliance from their followers. They are extrinsic motivators that bring minimal compliance from followers. They accept goals, structure, and the culture of the existing organization. Transactional leaders tend to be directive and action-oriented. They are willing to work within existing systems and negotiate to attain goals of the organization. They tend to think inside the box when solving problems. On the other hand, transformational leaders are pragmatic and think outside the box when solving problems. The behaviors most associated with this type of leadership are establishing the criteria for rewarding followers and maintaining the status quo.” (Hackman & Johnson, 2004).

Contingent reward (CR) - This transaction is said to be fairly effective in motivating followers to achieve higher levels of performance and development. This type of leadership deals with assigning or getting follower agreement on what is to be achieved with promised or actual rewards in exchange for satisfactory performance (Bass & Riggio, 2006).

Transactional leadership, particularly contingent reward is fundamental for effective leadership, but more effectiveness, risk taking, effort, innovation, and satisfaction can be accomplished by transactional leadership if it is augmented by transformational leadership. (Avolio & Bass , 2002). A study conducted by (Chen, Amos & Beck, 2005) in Taiwan to examine the leadership styles on job satisfaction identified that the nursing faculty was satisfied with individualized consideration and contingent reward type of leadership style (Chen, Amos & Beck, 2005).

Management by exception (MBE) - This corrective transaction tends to be more effective than contingent reward. This transaction may be active (MBE-A) or passive (MBE-P). In the first case the leader makes prior arrangements to actively monitor mistakes and deviances from given standards and take corrective measures. Active MBE may be necessary and effective in situations safety in paramount. In the second case, MBE-Passive, the leader waits passively for mistakes measures and it is considered as ineffective leadership and is dissatisfying (Avolio & Bass, 2002). MBE (Passive) are negatively related with job satisfaction (Erkutlu,2008). MBE (Passive) is negatively related to working condition of job satisfaction. (Voon,Lo, Ngui &Ayob ,2011). Actively Managing by Exception has a positive relation with job satisfaction.(Voon,Lo, Ngui &Ayob ,2011).

2.3.3 Laissez – faire leadership (LF) - This type of style is the avoidance or absence of leadership. It is said to be the most inactive and ineffective. Necessary decisions are not made, responsibilities are ignored and authority is unused. However, it is basic to the full range leadership model that every leader displays each style to some extent (Bass & Riggio, 2006). Northouse (2016) explains this type of leadership as “hands off, let-things ride” approach.

Bass (1990) defines Laissez-Faire as an approach in which there is no leadership, no interaction between the leader and his followers. These leaders do not take care of needs and developments of followers and wish to continue as it is. (Erkutlu,2008) findings show laissez faire are negatively related with job satisfaction. (Erkutlu,2008). No relationship exists between laissez

faire leadership style and job satisfaction of employees'. (Rothfielder.K ,Ottenbacher.M & Harrington.R.J 2016).

2.4 Job satisfaction

According to Locke (1976) job satisfaction is defined as a ‘‘positive emotional state that results from the appraisal of one’s job experiences.’’ Satisfaction is the degree to which one’s performance is compatible with one’s set of values. When the expected performance is closer to one’s set of values the higher will be the satisfaction.

Job Satisfaction refers to how much an employee likes a job. It deals with the employee’s attitude about the job along with the components such as the pay, promotion, supervision and educational opportunities.

Spector (1997) lists three important features of job satisfaction. First, organizations should be guided by human values. These organizations will be oriented towards treating workers fairly and with respect. In such cases the assessment of job satisfaction may serve as a good indicator of employee effectiveness. High levels of job satisfaction may be sign of a good emotional and mental state of employees. Second, the behavior of workers depending on their level of job satisfaction will affect the functioning and activities of the organization's business. Job satisfaction will result in positive behavior and dissatisfaction from the work will result in negative behavior of employees. Third, job satisfaction may serve as indicators of organizational activities. Through job satisfaction evaluation different levels of satisfaction in different organizational units can be defined, but in turn can serve as a good indication regarding in which organizational unit changes that would boost performance should be made (Azri, 2011).

Job satisfaction causes a series of influences on various aspects of organizational life. Some of them are the influence of job satisfaction on employee productivity, loyalty and absenteeism. Satisfied workers will not necessarily be the highest producers. There are many possible moderating variables, the most important of which seems to be rewards. If people receive rewards they feel are equitable, they will be satisfied and this is likely to result in greater performance effort. Also, recent research evidence indicates that satisfaction may not necessarily lead to individual performance improvement but does lead to departmental and organizational

level improvements. Finally there is still considerable debate whether satisfaction leads to performance or performance leads to satisfaction (Luthans, 1998).

According to Judge, Boudreau, and Bretz, 1994 as cited by Huges et al(2007) job satisfaction is people's attitudes about work which is usually found out by undertaking a survey that may indicate global, facet, and life satisfaction. Global satisfaction indicates employees' overall satisfaction with their organization and their job. Facet satisfaction shows the satisfaction of employees with specific parts of their job such as pay, promotion, and working hours, while life satisfaction deals with life in general as people happy about their job also tend to be happy about.

Findings concerning global and facet satisfaction indicate that people tend to be happy with their occupation despite the fact that they might like the pay, benefits, or the supervisor. This tendency of enjoying doing a job for its own sake points out to the importance of intrinsic motivation. (Huges et al 2007). Job Satisfaction surveys carried out in private or public organizations every one or two years, are used to assess attitudes of employees about different aspects of work such as changes in policies or procedures. These survey outcomes are more useful when compared with other reference groups such as the organizations past results to examine workers satisfaction with pay, promotion and other factors.

2.4.1 Theories of job satisfaction

2.4.1.1 Affectivity- refers to 'a tendency to react to stimuli in a consistent emotional manner' (Judge and Hulin 1993, Judge and Locke 1993). People with a disposition for negative affectivity respond to situational consistently in a negative manner. These kinds of people have a tendency to be unhappy with them and see the negative side or the disadvantage of a situation. People with positive affectivity consistently look at changes or situations positively. They tend to be happy about themselves and take a positive outlook on any situation. It has been found out by researchers that positive affectivity was related to job satisfaction and negative affectivity to job dissatisfaction (Judge and Hulin 1993; Judge, Bono and Locke, 2000 as cited in Huges et al 2007).

These findings indicate that leadership initiatives may have little effect on the disposition of workers whose affectivity is either extremely positive or negative.

Affectivity has also its impact on leaders. A leader with negative affectivity tends to find fault with his followers and consistently complains about the performance of workers. A leader with positive affectivity tends to show the opposite behavior. Having a high percentage of workers having either negative or positive affectivity is a challenge to leadership. The positive group may be tolerant with organizational changes while the negative group tends to oppose changes. Hiring people with positive affectivity may increase job satisfaction, but there is hardly any selection system to identify people with negative affectivity (Huges et al, 2007).

2.4.1.2 Herzberg two factory theory

Herzberg identified two types of factors calling those which led to satisfaction as motivators and those which led to dissatisfaction as hygiene factors. The most common motivators at work include; achievements, recognition, the work itself, responsibilities and advancement and growth. The hygiene factors are supervision, working conditions, co-workers and pay (Tietjen & Myers 1998).

2.4.1.3 Organizational justice

This theory says that people who are unfairly treated have less commitment to the organization and produce less. This is because they are less satisfied. Trevino (1992) classifies organizational justice into three. These are interactional justice, distributive justice and procedural justice. Interactional deals with the degree of information people are given about reward procedures and are treated with dignity and respect. Distributive justice deals with the level of reward or punishment people are given based on their performance. Procedural justice involves the process in which rewards or punishment are given. These components of organizational justice are related to satisfaction with leaders, pay, promotion and the job (Huges et al, 2007).

2.5 Sources of job satisfaction

Job satisfaction is defined as “the amount of overall positive effect or feelings that individuals have towards their jobs.” A lot of studies have been carried out on the cause of job satisfaction. The cause of job satisfaction has been prompted by three major view point (Locke 1976). These are

- 1) Industrial engineering- industrial engineering considered elements such as piece- rate incentives, rest pause, light and noise with regard to job satisfaction. Frederick taylor’s

scientific management noted that work design, working condition and compensation could boost production workers satisfaction.

- 2) Human relation movement –employee satisfaction with work groups and supervisors influence their performance.
- 3) Work itself (growth) school- This school insists that real job satisfaction emanates from the job itself. Workers should be given responsibilities and discretion to face the challenges of the job (Herzberg 1959).

There are six frequently studied causes of job satisfaction (Locke, 1976 as cited in Fieldman & Arnold, 1983). These are

Pay- pay is a fundamental factor to determine job satisfaction. Money is the means to fulfill needs for food, shelter and clothing as well as leisure. It also serves as a symbol of achievement and recognition. Judge, Piccolo, Podsakoff., Shaw. & Rich, (2010) provided evidence on the relationship between pay to job and pay satisfaction and the findings show pay is positively related to job and pay satisfaction (Judge, Piccolo, Podsakoff., Shaw. & Rich, 2010). Financial and non-financial rewards have an impact on job satisfaction and they are measured as benefits, pay and recognition (Tessema, Ready, & Embaye, 2013).

The work itself- the work itself is another important determinant of job satisfaction. Three of the major elements of work itself that are determinant of job satisfaction include

- Control over work method and work pace – are strongly linked to job satisfaction. Divorcing, planning the job from and determining the pace are said to be sources of dissatisfaction.
- Using moderate skills and abilities- gives workers with a sense of competence, self-pride and sense of self- confidence leading to job satisfaction, while breaking the job to the fewest possible operations leads to job dissatisfaction because it becomes repetitive and tedious. It is also argued that workers get satisfied if their personal contribution to the whole work is clear and visible.

The faculty employees were satisfied with content of their jobs and consider the “work itself” as the most motivating factor for employees’. (Castillo & Cano, 2004). According to (Shah, Rehman, Akhtar, Zafar & Riaz, 2012) positive relationship exist between reward and recognition,

satisfaction with supervision and positive relationship with the work itself and with job satisfaction (Shah, Rehman ,Akhtar, Zafar & Riaz, 2012).

Promotion – The fact that promotions affect job satisfaction is found out from evidenced such as the frequent absence of non-promoted workers from those who were promoted. However, it is difficult to determine the importance of promotion as an independent source of job satisfaction, because promotion involves jobs with higher pays, less repetitive work, more freedom and less physical effort.

The main causes of promotion which are skills, abilities and length of service have a moderate effect on enhancing the job satisfaction level of employees, thus a positive relationship exists between promotion and job satisfaction (Naveed, Usman. & Bushra., 2011). Promotion, pay and training cause higher level of job satisfaction (Butt, Zaheer, Rehman,Kashif Ur & Nadeem, 2007).

Supervision- Two areas of leadership style seem to be strongly connected with employee satisfaction. The first is employee- centeredness. Supportive behavior of supervisors to subordinates contributes to the job satisfaction of supported workers. The second area is allowing employees to participate in decision making. Research findings indicate that employees that participated in decision making showed a high level of job satisfactions (Coch & French 1948). A good relationship with supervisors and good communication with employees is one of the important aspects to create a good working environment (Singh & Jain, 2013).

Work group- Work group serves as a source of satisfaction to employees because it creates an environment for them to interact with each other. This satisfaction becomes even stronger when group members have similar attitudes and values. Work groups with similar attitudes and values can also lead to enhance a person's self-concept. Feeling valued by co-workers is said to be highly correlated with job satisfaction.

According to (Raziqa & Maulabakhsha, 2015) when employees participate in the overall decision making process, working in a team work approach, have less work load, provided with flexible working hours, and a supportive top management have a positive effect on the performance of employees. This contributes to high level of employee job satisfaction thus making the employees more committed, motivated to work hard and more inclined to get high

productivity for their firms benefiting their respective businesses in the future. (Raziqa & Maulabakhsha, 2015).

Working conditions- Working conditions and job satisfaction are positively correlated. Temperature, humidity, ventilation, hours of work, adequate tools and equipment, etc. affect job satisfaction. Pay and the work itself are the most important source of job satisfaction while promotion and Supervision are of moderate importance and the work group and working conditions playing a minor role (Fieldman & Arnold 1983). According to (Singh & Jain, 2013) employees become effective when working in good conditions (Singh & Jain, 2013). Work environment is the predictor of the level of job satisfaction (Qasim ,Cheema ,& Syed, 2012).

Consequence of job satisfaction

Performance- it is widely held that happier workers are more productive, but recent research does not support this (Fieldman & Arnold 1983).

First, the correlation between satisfaction and performance is weak. Brayfield and Crockett (1955) and Vroom (1964) testify this. Second, job performance leads to job satisfaction rather than the reverse. This is ascertained by Lawler and Porter (1967). Third, under some conditions high productivity leads to high satisfaction. The first condition is that individuals perceive that intrinsic and extrinsic rewards depend on good performance. This leads to the idea that individuals are responsible for performing well to have intrinsic and extrinsic rewards which are given on the basis of high performance. The second condition is that extrinsic rewards are given in an equitable manner. If, however rewards are distributed inequitably, workers will see less connection between hard work and good reward. Hence satisfaction and productivity are not closely related. To the extent that they are, it is generally true that performance leads to satisfaction.

Withdrawal behavior - Job dissatisfaction leads employees to resign and to frequent absenteeism from their duties. Organizations with low dissatisfaction levels would suffer from turnover of employees. It should also be noted that availability of other employment opportunities influence turnover (Fieldman & Arnold 1983).

2.6 Empirical evidence

Relationship between leadership style and employees' job satisfaction

Bateh & Heyliger (2014), a study conducted to identify the leadership style of administrators as evaluated by faculty members of universities and those who identified transformational leadership and transactional leadership as dominant had increased job satisfaction. Faculty members who identified passive/avoidant leadership as dominant had decreased job satisfaction.

Pihie, Sadeghi & Elias (2011) research findings indicate that transformational leadership style is fairly practiced and indicated that transformational and transactional leadership styles were positively correlated with job satisfaction.

Riaz & Haider, (2010) conducted research that involves private companies to examine the leadership behavior and the impact on job success and career satisfaction. They concluded that leaders practiced transactional leadership style compared to transformational leadership style.

In the study conducted by Bodla & Nawaz(2010) on faculty members of public and private higher education institutions , the findings show that transactional leadership style was the most practiced style among private institutions than public institutions but transformational and laissez faire are practiced at the same extent in both sectors.

Rothfelder, Ottenbacher & Harrington (2013), findings indicate in a study conducted in German hotels that employees' job satisfaction is highly affected by leadership behavior. Employees were more satisfied when leaders clearly formulated expectations, provided followers with feedback and used rewards or compliments to show appreciation for outstanding work. The correlation analysis also showed that leaders applying transformational leadership also demonstrate contingent rewarding behavior. Jones & Rudd,(2008) a study on academic program leaders indicates that leaders practice transformational leadership style.

Belenio (2012) studies on leadership styles in the banking sector and the result shows that transformational, transactional and laissez faire leadership combined produce a positive result among employees job satisfaction.

Saleem (2015) Research conducted in Pakistan public universities the findings show that transformational leadership has a positive impact on job satisfaction and transactional leadership

has a negative impact on job satisfaction. “Transformational leadership has positive association with job satisfaction which means that transformational leaders through their inspiring and motivating behavior can induce changes in psychological states of members of organizations. Transactional leaders are more concerned with achieving organizational goals through giving rewards or punishments and have less concern with motivation of the members of organization.”

Ephrem (2016), says that the dominant leadership style of Ethio-telecom managers is transactional leadership but transformational leadership also increase the outcome of leadership but Laissez faire leadership has no impact on satisfaction level of employees. Ruth W/tensay (2014) concludes that transformational and transactional leadership styles positively influence job satisfaction of employees. Those female and younger age employees choose transformational over transactional.

2.7 Conceptual framework

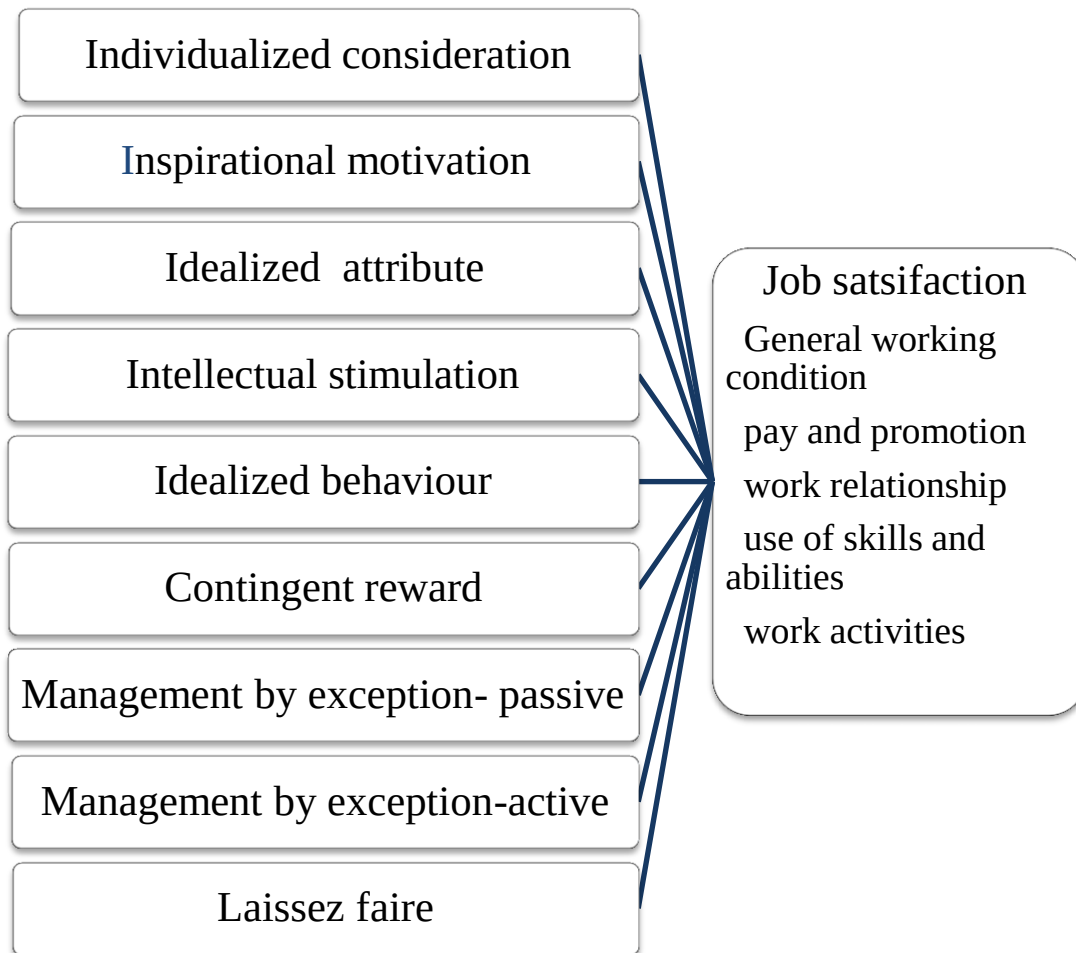
The research will be conducted to investigate which dimensions of transformational, transactional and laissez faire leadership styles have an effect on employees’ job satisfaction in selected non –governmental faith based organizations located in Addis Ababa. Based on literature review and research findings the following framework is developed. The independent variables are dimensions of transformational, transactional and laissez faire leadership and the dependent variable is job satisfaction.

The theoretical framework for this study is the full range leadership. The full range leadership model distinguishes among three groups of behaviors these are transformational leadership, transactional, and laissez faire styles. The conceptual framework is mainly based on Bass and Riggo (2006) writing and other literatures.

According to Bass and Riggo (2006), transformational leadership five dimensions are inspirational motivation, idealized influence (attribute & behavior), intellectual stimulation and individualized consideration. Transactional leadership style dimensions are contingent rewards, management by exception (active) and management by exception (passive) and laissez faire leadership. The dimensions of job satisfaction that will be measured are general working conditions, pay and promotion, work relationships, use of skills and abilities and work activities.

Independent variables

Dependent variable



Source - Bass and Riggo(2006) writing and other literatures.

Figure 2.1-conceptual framework

CHAPTER THREE

3. RESEARCH METHODOLOGY

In this chapter the research methodology which is used for this study are discussed. Topics of coverage in this chapter include research approach, research design, population and sampling method and data source. Research methodology is a way to systematically solve the research problem as well as understood as a science of studying how research is done scientifically (Kothari, 2004).

3.1 Research approach

Quantitative approach will be used for this study, to quantify variables and to analyze it. Quantitative approach is predominantly used as a synonym for any data collection technique such as a questionnaire or data analysis procedure such as graphs or statistics that generates or uses numerical data (Saunders, Lewis & Thornhill, 2009).

3.2 Research design

Descriptive and explanatory research design will be used. According to Saunders explanatory research design is used to describe the causal relationships between variables. The emphasis is to study the problem so as to explain the relationship between leadership styles and employees' job satisfaction. Descriptive research design identifies associations or relationship between or among selected variables. It describes systematically and accurately the facts and characteristics of a given population or area of interest (Dulock, 1993).

3.3 Population and Sampling Method

3.3.1 Populations of the study - are employees, managers and supervisors of the five non - governmental organizations that are members of ACT alliance. There are a total of 871 employees working in the five organizations; Dan Church Aid, Norwegian Church Aid, Christian Aid, Swiss Church Aid and, Ethiopian Orthodox Church – Development and Inter-Church Aid Commission (EOC-DICAC).

Due to the high cost and time requirements the study excluded project office employees and only those based in Addis Ababa were considered. The number of employees at their respective head office and main branches in Addis Ababa are

Table3.1- Target population

Dan church aid	20
Norwegian church aid	30
Christian aid	16
Swiss church aid	14
Ethiopian Orthodox Church – Development and Inter-Church Aid Commission (EOC-DICAC)	210
Total	290

3.3.2 Target population – The sample populations were drawn from a total of 290 staff level employees located in Addis Ababa. There are eleven international and national NGOs who are members of the ACT alliance a total of five out of eleven NGOs were willing to participate of which one was local and four are international NGOs.

3.3.3 Sampling Design- Stratified sampling was adopted to draw the sample. It is the process of dividing members of the population into homogeneous subgroups before sampling. It is a modification of random sampling in which the population is divided into two or more relevant and significant strata based on one or a number of attributes (Saunders, et.al, 2009). The organizations consist of groups of employees in program administration and Finance/operations sections based in Addis Ababa. From each stratum employees, managers and supervisors were selected by using convenient sampling.

Based on Yamane (1967) the formula below is used to determine the sample size:

$$no = \frac{N}{1 + N(e^2)}$$

Where = no is the sample size

N= is the target population size located in Addis Ababa

e = is the level of precision or sampling error (0.05), therefore the calculated sample size is 168.

Table3.2- Sample size distribution of target population

No	NGOs	Sample size	
		Total No of Employees	Proportion of sample
1.	Dan Church Aid	20	$[(20/290) \times 168] = 12$
2.	Norwegian Church Aid	30	$[(30/290) \times 168] = 17$
3.	Christian Aid	16	$[(16/290) \times 168] = 9$
4.	Swiss Church Aid	14	$[(14/290) \times 168] = 8$
5.	Ethiopian Orthodox Church – Development and Inter-Church Aid Commission (EOC-DICAC)	210	$[(210/290) \times 168] = 122$
	Total	290	168

3.4 Sources of data

Primary and secondary sources of data will be used. Primary data will be obtained through structured questionnaires. Questionnaire data will be collected on Multiple Leadership Questionnaire and Job satisfaction survey. Secondary data is collected from books, articles, and other publications as well as websites. Using questionnaire will allow respondents have adequate time to give well thought out answers. Respondents who are not easily approachable can also be reached conveniently (Kothari, 2004).

3.5 Data collection instrument

The Multifactor Leadership Questionnaire (MLQ) is used to study transformational, transactional, and laissez faire leadership styles while the job satisfaction survey assesses the dimensions of job satisfaction related to overall satisfaction.

3.5.1 The Multifactor Leadership Questionnaire (MLQ)

The most widely accepted instrument to measure transformational leadership is the multifactor Leadership Questionnaire (MLQ) which in fact measures the Full Range Leadership (FRL) model.

The Multifactor Leadership Questionnaire (5X-Short Form), is a valid and reliable for measuring leadership which is used by many scholars worldwide (Bass, 1997).

These are two types of MLQ, The first is the leader form used to self-rate the leader behavior. But self-ratings of one's behavior tend to be biased. Hence the more important version of the instrument is the rater form. The form asks subordinates of the leader (usually supervisees or direct reports) to rate the frequency of their leader transactional or transformational leadership behavior using a 5 point rating scale. The Multifactor Leadership Questionnaire (5X-Short Form) is used to measure transformational Leadership, Transactional Leadership and Laissez faire leadership (Avolio and Bass, 1999). The latest and revised form of the MLQ (5X) is substantially refined and contains 36 standardized items, 4 items assessing each of the nine leadership dimensions associated with the FRL model (Bass & Riggo, 2006).

The first part identifies the respondents' gender, age group, and educational status. The second part consists of 36 types of questions. The ratings for the MLQ are Not at all (0), Once in a while (1), Sometimes (2) Fairly often (3) , Frequently, if not always (4).

Table 3.3 - Multifactor Leadership Questionnaire

Leadership styles	Subscale	Items
Components of transformational leadership	Individualized consideration	1,2,3,4
	Inspirational motivation	5,6,7,8
	Idealized attribute	9,10,11,12
	Idealized behavior	17,18,19,20
	Intellectual stimulation	13,14,15,16
Components of transactional leadership	Contingent Reward	21,22,23,24
	Management by Expectation(Passive)	25,26,27,28
	Management by Expectation(Active)	29,30,31,32
Laissez faire leadership		33,34,35,36

Source: (Bass & Avolio, 2006) and Literature reviews

3.5.2 The Job Satisfaction Survey

(Spector, 2011) says that the JSS assesses how employees feel about their job and their attitudes towards it. Spector (1985) designed a survey for measuring the components of job satisfaction such as General Working Conditions, Pay and Promotional potential, Work relationships, Use of skills and abilities and Work activities. It was developed particularly for the public sector and non-profit organizations; however it can be used for other organizations.

Leaders and employees fill the questionnaire about their satisfaction with respect to their jobs. The revised JSS dimensions includes five job dimensions, with each having components. A total of eighteen questions are included in the survey. The components are rated by the following five point rater scale. 1 = strongly disagree, 2 = Disagree, 3 = neither disagree nor agree, 4 = Agree, 5 = strongly agree. The scores are calculated by summing up all the individual items.

The responses to the JSS items are numbered from 1 to 5. Respondents can therefore have a score from 1 to 5 for each item that can be explained as follows:

- Scores of 1, 2 and 3, show dissatisfaction of an employee by the leadership style of the supervisor, this means the supervisor is a transactional leader.
- Scores above 3 show satisfaction of an employee by the leadership style of the supervisor, this means the supervisor is a transformational leader.

Table 3.4 Job satisfaction survey

PAY AND PROMOTION POTENTIAL
Job Security
Benefits (Health insurance, life insurance, etc.) offered
Recognition for works achieved
Promotion Opportunities
Salary offered
USE OF SKILLS AND ABILITIES
Support for training & education
Opportunities to utilize your skills and capabilities
Opportunities to acquire new skills
WORK ACTIVITIES
Degree of independence in work roles
Good opportunities for periodic changes in duties

Variety of work responsibilities
WORK RELATIONSHIPS
Relationship with subordinates
Relationship with co-workers
Relationship with supervisor
GENERAL WORKING CONDITIONS
Flexible schedule
Hours worked each week
Paid vacation, time/sick leave offered
Location of work place

3.6 Data Analysis

The data is collected through closed ended questionnaires. The SPSS version 24(Statistical Package for Social Sciences) is used to analyze the data statistically. The statistical reliability of items on the questionnaire is checked using Cronbach-alpha. Descriptive, correlation and regression analysis tools were used for analyzing the data from the respondent employees.

3.6.1 Descriptive Analysis

Descriptive statistics involved using the frequencies command to determine percentage, measures of central tendency (mean, median, and mode), and measures of dispersion (range, standard deviation and variance). Minimum, maximum, mean standard deviation and percentages were employed to determine the most practiced dimensions of transformational, transactional and laissez faire leadership style and to determine the satisfaction of employees.

3.6.2 Correlation analysis

A Pearson correlation was used to assess the relationship between the independent variables and the dependent variable. The Pearson correlation coefficient was first introduced by Galton in 1877 and developed later by Pearson. It is used to measure the linear relationship between two random variables (Zou.H.y, Tuncali, & Silverman.G, 2003).

3.6.3 Regression analysis

Regression analysis was conducted to determine to the magnitude that the independent variable leadership style is capable of explaining the dependent variable, job satisfaction. Multiple regression models were used to show the impact of the independent variable on the dependent variable.

The regression assumes the following equation;

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \beta_7 x_7 + \beta_8 x_8 + \beta_9 x_9 + e$$

The dependent variable is Y and $x_1, x_2, x_3, x_4, x_5, x_6, x_7, x_8$ and x_9 are the independent variables. $\beta_0, \beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8, \beta_9$ are referred to as coefficients of independent variables. β_0 is constant by which job satisfaction is influenced by other factors which are not specified as independent variables by the researcher and e is a vector of errors of prediction.

CHAPTER FOUR

4. RESEARCH FINDINGS AND INTERPRETATION OF RESULTS

This chapter presents the result and interpretation of the research findings. The descriptive analysis includes the characteristics of participants which are gender, age, level of education and tenure. These characteristics are outlined by using frequencies and percentage. Descriptive statistics of the variables is computed by mean and standard deviations. Correlation analysis and multiple regression analysis was conducted for Job Satisfaction as the dependent variable, and dimensions of transformational, Transactional and Laissez faire as independent variables.

4.1 Validity and Reliability analysis

Validity means “measures what is intended to be measured” (Field, 2005). The major kinds of validity namely face validity; content validity, construct validity, and reliability are used. According to (Oluwatayo, 2012), face validity refers to the researchers’ subjective assessments of the presentation and relevance of the measuring instrument to check if the items in the instrument appear to be relevant, reasonable, unambiguous and clear (Taherdoost, 2016). The questionnaire has been checked by the researcher in terms of the clarity and readability. It was also checked by the respondents during the pilot study. Content and construct validity of the instruments was checked by experts to ensure the relevance and overall appearance in formatting the items.

A pilot study is part of a preceding study that is collected from subjects who are already involved in a study which can be useful to examine the feasibility of a future project with a particular population. Experts recommend a pilot study sample be 10% of the sample projected for the larger parent study (Connelly, 2008). A pilot study has been done on seventeen employees before the questionnaire was distributed to the whole sample size. Cronbach’s Alpha is the most widely used objective measure of reliability. Reliability is the ability of an instrument to measure consistency. Internal consistency describes the extent to which all the items in a test measure the same concept or construct and hence it is connected to the inter-relatedness of the items within the test. Internal consistency should be determined before a test can be employed for research or examination purposes to ensure validity (Dennick & Tavakol, 2011).

Table 4.1 –Reliability statistics of the MLQ

Construct	Items	Cronbach's α
Individualized consideration	4	0.792
Inspirational motivation	4	0.923
Idealized attribute	4	0.781
Intellectual stimulation	4	0.804
Idealized behavior	4	0.756
Contingent reward	4	0.745
Management by Exception (Passive)	4	0.932
Management by Exception (Active)	4	0.819
Laissez-faire	4	0.864

Source: survey data 2021

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. When the Cronbach's alpha coefficient is closer to 1.0 the, internal consistency of the items in the scale increases. The lower alpha coefficient is an indicator of weak inter-item average correlation or the items are providing inconsistent and unstable results.

According to George and Mallery (2003), the generally accepted practice is given as "alpha coefficients that are greater than 0.9 are Excellent, and greater than 0.8, 0.7, 0.6 is good, acceptable and questionable respectively. Value less than 0.5 is Unacceptable". (p. 231) (Gliem.J & Gliem.R, 2003).

From the above reliability analysis all the dimensions have a value of more than 0.7 which shows the reliability and consistence of the questionnaire is checked.

4.2 Response rate

The total numbers of questionnaires distributed were 168 of which 150 were filled and returned and used for analysis. Among the respondents 20 managers (finance/operation, program and department heads those with more than 8 sub-ordinates under their supervision) and 130 subordinates were involved.

Table 4.2 - response rate

Number of Questionnaire Returned	Target Number of Respondents	Response Rate (%)
150	168	89.2

Table 4.3 - returned questionnaires

NGOs	Proportion of sample	No of returned questionnaire
Dan Church Aid	12	10
Norwegian Church Aid	17	15
Christian Aid	9	8
Swiss Church Aid	8	7
Ethiopian Orthodox Church – Development and Inter-Church Aid Commission (EOC-DICAC)	122	110
Total	168	150

4.3 Demographic characters

This part includes the characteristics of participants which are gender, age, level of education and tenure as shown in table 4.4

Table 4.4 -Demographic characteristics of respondents

Dimensions		Frequency	Percentage
Gender	Male	83	55.3
	Female	67	44.7
	Total	150	100
Age	21-30	29	19.3
	31-40	72	48
	41-50	31	20.7
	51-60	18	12
	Total	150	100
Educational level	Diploma	5	3.3
	Bachelor degree	52	34.7
	Masters'	93	62
	PHD	0	0

	Total	150	100
Experience	Below 1 year	12	8
	1-2 years	34	22.7
	3-4 years	49	32.7
	>4 years	55	36.7
	Total	150	100

Source: survey data (2021)

The demographic table above shows that out of 150 respondents, 83(55.3%) are male and 67(44.8%) are female. Majority of the respondents are between the ages of 31-40, constituting 48% of the total respondents. The educational level of the respondents shows that 93(62%) are masters' degree holders and 52(34.7%) are bachelor degree holders. 36.7% of them have more than 4 years of experience while 32.7% have 3-4 years. These show that most of the respondents have more than 3 years of experience in their respective organizations and this implied that subordinates have a better understanding of their supervisors' choice of leadership style.

4.4 Descriptive statistics of the variables

The descriptive statistics of the variables are presented below. Thirty six questions of MLQ and 18 questions of JSS were all coded and entered into the SPSS. The mean and standard deviations of the responses of respondents on dimensions of leadership styles and job satisfaction are presented below.

Table 4.5- Mean and standard deviation of transformational, transactional and laissez faire leadership

Dimensions	N	Minimum	Maximum	Mean	St. Deviation
Individualized consideration	150	1.25	4.00	2.8100	.51380
Inspirational motivation	150	2.00	4.00	3.3117	.52291
Idealized attribute	150	1.50	4.00	3.2733	.48236
Intellectual stimulation	150	1.50	4.00	3.2233	.57867
Idealized behavior	150	2.25	4.00	3.4000	.43446
Contingent reward	150	2.00	3.75	2.8433	.30177
Management by exception(passive)	150	0.00	3.00	1.0650	.80343

Management by exception (active)	150	0.25	3.00	1.3583	.41513
Laissez faire	150	0.75	3.75	1.8083	.82607
Valid N(list wise)	150				

The computed mean values of the dimensions of transformational leadership indicate that idealized behavior has the highest mean value of 3.40 and (SD=0.434) followed by inspirational motivation (M=3.311, SD = 0.522) and idealized attribute (M=3.27, SD=0.48). This shows transformational leaders practice idealized behavior frequently. Those leaders are admired, respected, trusted and are consistent in conducting work with underlying ethics, and principles. Intellectual stimulation and individualized consideration are the least most practiced among managers.

The above table shows that contingent reward has the highest mean score compared to the other dimensions of transactional leadership styles. Contingent reward has a mean score of 2.84 and standard deviation of 0.30 which shows that it is the most practiced dimension among transactional leadership style.

Transactional contingent reward refers to how the leader clarifies the role and task requirements for subordinates as well as the performance criteria and the rewards upon accomplishing desired goals (Bass, 1985).

As indicated in the above table transformational leadership (idealized behavior) is the most practiced leadership style among managers. Among transactional leaders (contingent reward) is the most practiced.

Table 4.6- mean and standard deviation of dimensions of job satisfaction

Dimensions	N	Minimum	Maximum	Mean	Std. Deviation
Flexible schedule	150	1.00	5.00	4.1933	1.00132
Hours worked each week	150	3.00	5.00	4.0933	0.68880
Paid vacation, time/sick leave offered	150	1.00	5.00	3.8067	0.92466
Location of work place	150	1.00	5.00	3.8400	0.80335
Job security	150	1.00	5.00	3.4200	0.94315
Benefits (life insurance, health insurance etc.) offered	150	3.00	5.00	4.3933	0.62280
Recognition for works achieved	150	1.00	5.00	3.5267	1.09726
Promotion opportunities	150	1.00	4.00	2.9000	0.88803
Salary offered	150	1.00	5.00	3.5467	0.64075
Relationship with subordinates	20	3.00	5.00	4.2000	0.61559
Relationship with co-workers	150	1.00	5.00	4.1400	0.84369
Relationship with supervisor	150	1.00	5.00	4.0267	1.12892
Support for training & education	150	1.00	5.00	3.3933	1.29478
Opportunities to utilize your skills and capabilities	150	1.00	5.00	4.3000	0.80893
Opportunities to acquire new skills	150	1.00	5.00	3.6800	1.05117
Degree of independence in work roles	150	1.00	5.00	3.7200	1.14176
Good opportunities for periodic change in duties	150	1.00	5.00	3.1200	1.11078
Variety of work responsibilities	150	1.00	5.00	3.4000	1.03626

Table 4.7 Mean and standard deviation of job satisfaction

Dimensions	N	Minimum	Maximum	Mean	St. deviation
General working condition	150	2.50	4.75	3.9833	.48177
Pay and promotion potential	150	2.40	4.60	3.5573	.51584
Work relationships	150	3.33	4.67	4.1667	.38236
Use of skills and abilities	150	1.33	5.00	3.7911	.84128
Work activities	150	1.00	5.00	3.4133	.91036
Valid N (list wise)	150				

According to the above tables work relationships has the highest mean value compared to other dimensions of job satisfaction ($M=4.16$, $SD=0.38$). Employees are satisfied with work relationships they have with subordinates, with the highest mean value ($M=4.20$, $SD=0.61$) compared to other dimensions of work relationship category. Relationship with co-workers has

the second highest mean value ($M=4.14$, $SD=0.84$), followed by relationship with supervisors with mean value of ($M=4.02$ and $SD= 1.12$).

General working conditions is the second dimension of job satisfaction by which employees are satisfied, the mean and standard deviation, respectively are ($M=3.98$, $SD=0.48$). Among the dimensions of general working conditions, flexible schedule has ($M=4.19$, $SD=1.0$) and hours worked each week has ($M=4.09$ $SD=0.68$) showing that employees are satisfied with the flexibility of work schedule they have and the hours they work each week.

Use of skills and abilities has ($M=3.79$, $SD=0.84$) and employees are satisfied with the opportunities to utilize new skills, capabilities and to acquire new skills in their respective organizations because it has the highest mean 4.3 and lowest SD 0.80 compared to other dimensions in this category. Support for training and education has the lowest mean of 3.39 and highest standard deviation of 1.29 compared to other dimensions which shows employees dissatisfaction with the training and development program provided by the organizations.

Among the dimensions of pay and promotion, employees are satisfied with the benefits they get from the organization. Pay and promotion potential has ($M=3.55$ and $SD=0.515$) from this category while benefits has the highest mean ($M=4.39$) and lowest ($SD=0.62$) compared to others in this category. Promotion opportunities has the lowest mean value ($M=2.90$) and standard deviation of ($SD=0.88$). This result shows that employees are not satisfied that they are not progressing to a higher position in the organization. The mean score and standard deviation for work activities dimension were 3.41 and 0.9, respectively. Good opportunities for periodic changes in duties has a mean value of 3.12 and SD of 1.11 which is less than variety of work responsibility with Mean=3.4 and $SD=1.0$. Among the dimensions degree of independence in work role has the highest mean score of 3.72 compared to others showing employee satisfaction.

4.5 Correlation analysis

Correlation is a method of assessing a possible two-way linear association between two continuous variables. Correlation is measured by a statistic called the correlation coefficient, which represents the strength of the linear association between the variables. Pearson correlation is the most widely used methods to calculate correlation coefficient.

The interpretation of the correlation coefficients is for the value in the range of -1 to $+1$. A correlation coefficient of zero indicates that no systematic relationship exists between two variables, and a correlation coefficient of -1 or $+1$ indicates a perfect linear relationship. The strength of relationship can be anywhere between -1 and $+1$.

The stronger the correlation, the closer the correlation coefficient comes to ± 1 . If the coefficient is a positive number, the variables are directly related as the value of one variable goes up, the value of the other also tends to do so. If, on the other hand, the coefficient is a negative number, the variables are inversely related which means that as the value of one variable goes up, the value of the other tends to go down. According to Cohen (1988), as cited by Hemphill (2003) the magnitude of correlation coefficient is stated below

Table 4.8 Magnitude of correlation coefficients

Correlation strength	Positive values	Negative values
Small	$r = 0.10$ to 0.29	$r = -0.10$ to -0.29
Medium	$r = 0.30$ to 0.49	$r = -0.30$ to -0.49
Large	$r = 0.50$ to 1	$r = -0.50$ to -1

		Individualized consideration	Inspirational motivation	Idealized attribute	Intellectual stimulation	Idealized behavior	Contingent reward	MBE passive	MBE active	Laissez faire	Job satisfaction
Individualized Consideration	Pearson Correlation	1	0.031	0.087	0.138	0.080	-.231**	0.142	0.030	0.009	-0.027
	Sig. (2-tailed)		0.703	0.288	0.092	0.332	0.004	0.083	0.713	0.908	0.746
	N		150	150	150	150	150	150	150	150	150
Inspirational motivation	Pearson Correlation		1	.472**	.627**	.482**	0.147	-.334**	.253**	-.279**	.726**
	Sig. (2-tailed)			0.000	0.000	0.000	0.073	0.000	0.002	0.001	0.000
	N			150	150	150	150	150	150	150	150
Idealized attribute	Pearson Correlation			1	.388**	.552**	0.158	-.296**	-.231**	-.421**	.432**
	Sig. (2-tailed)				0.000	0.000	0.054	0.000	0.005	0.000	0.000
	N				150	150	150	150	150	150	150
Intellectual stimulation	Pearson Correlation				1	.542**	0.120	-.275**	0.145	-.188*	.680**
	Sig. (2-tailed)					0.000	0.143	0.001	0.077	0.021	0.000
	N					150	150	150	150	150	150
Idealized behavior	Pearson Correlation					1	.264**	-0.115	0.088	-.309**	.597**
	Sig. (2-tailed)						0.001	0.162	0.282	0.000	0.000
	N						150	150	150	150	150
Contingent reward	Pearson Correlation						1	-0.015	-0.075	-0.069	0.128
	Sig. (2-tailed)							0.857	0.365	0.401	0.119
	N							150	150	150	150
MBE passive	Pearson Correlation							1	0.083	.695**	-.576**
	Sig. (2-tailed)								0.312	0.000	0.000
	N								150	150	150
MBE active	Pearson Correlation								1	0.021	.191*
	Sig. (2-tailed)									0.803	0.019
	N									150	150
Laissez faire	Pearson Correlation									1	-.444**
	Sig. (2-tailed)										0.000
	N										150
Job satisfaction	Pearson Correlation										1
	Sig. (2-tailed)										
	N										150
**. Correlation is significant at the 0.01 level (2-tailed).											
*. Correlation is significant at the 0.05 level (2-tailed).											

Source: Pearson Correlation Results from own survey data

Table 4.9 correlation analysis between independent variables and job satisfaction

The co-relation matrix above shows that the relationship between dimensions of transformational, transactional and laissez faire with each other and job satisfaction. All the dimensions of transformational leadership are positively related with each other. From those five dimensions Intellectual stimulation and inspirational motivation show high significant correlation ($r=0.627$, $P<0.01$).

Positive relationship existed between all dimensions of transformational leadership except individualized consideration which has a negative and statistically insignificant relationship with job satisfaction. Idealized attribute, has a moderate positive and significant relationship with job satisfaction ($r=0.432$, $P<0.01$). The correlation between idealized behavior with job satisfaction is strongly and positively correlated with ($r=0.597$, $P<0.01$). Idealized behavior is concerned about leaders talking about their most important values and beliefs with their subordinates.

Both inspirational motivation and intellectual stimulation are strongly related with job satisfaction with ($r=0.726$, $P<0.01$) and ($r=0.680$, $P<0.01$), respectively. According to (Sarros & Santora, 2001) the key indicators of inspirational motivation are setting organizational vision, communicating this vision, challenging workers, giving continuous encouragement, and applying the principles of shared power (Shibru & Darshan ,2011).

Intellectual stimulation is concerned about looking into different angles when solving problems. In this type of leadership style leaders encourage followers to be creative, innovative and critical thinkers. According to (Bass & Avolio, 2004; Bass, 2006), by constantly searching for new knowledge, intellectual stimulation transformational leaders constantly teach, illustrate, but also promote and get new and creative ideas for solving problems from all organizational members. Individualized consideration has no significant relationship with job satisfaction.

Among the dimensions of transactional leadership, contingent reward has a positive but insignificant relationship with job satisfaction. Management by exception (Passive) has a strong negative and significant relationship with job satisfaction. ($r= -0.576$, $P<0.01$). This implies that employees' satisfaction will decrease as managers apply this leadership style.

Management by exception (Active) is weakly but positively related to and has significant relationship with job satisfaction. ($r=0.191$, $P<0.05$). This indicates that as managers' focus on mistakes and deviations employees satisfaction increase. Laissez faire leadership is moderately and negatively related with job satisfaction($r= -0.444$, $P<0.01$), which shows that as leaders practice this behavior subordinates' satisfaction will decrease.

4.6 Regression analysis

It is a technique used to describe relationships among variables. The key benefits of using regression analysis are to indicate if independent variables have a significant relationship with a dependent variable, point out the relative strength of different independent variable effects on the dependent variable and make predictions.

4.7 Assumptions Testing in Multiple regressions

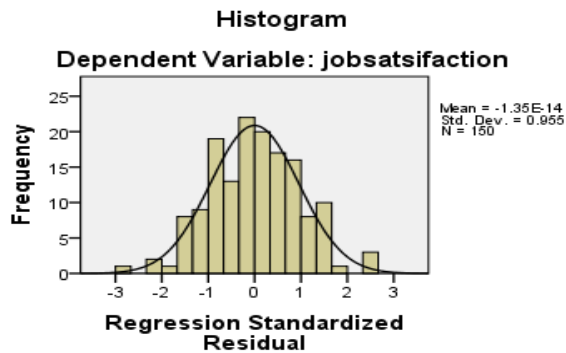
Prior to conducting a multiple regression analysis, the basic assumption tests for the model must be carried out. Five major assumptions namely, normality distribution test, linearity, multicollinearity, homoscedacity and autocorrelation must be checked and proved to be met reasonably well.

4.7.1 Normality Test

According to (Keith, 2006) multiple regressions require the independent variables to be normally distributed. This means that errors are normally distributed. The residuals scatter plots is used to show if the residuals are normally distributed. A normal distribution is characterized by bell-shaped curve. This shape basically implies that the majority of scores lie around the centre of the distribution (Field, 2006). The below figure shows that the residuals are normally distributed as the histogram is bell shaped. Normality can also be checked by inspecting from the Normal P-P plot that, points line in a reasonably straight diagonal line from bottom left to top right for dependent variables. This suggests that the assumption of normality was not violated.

Outliers can be detected from visual inspection of histograms or frequency distributions.(Osborne and Waters, 2002). From the below histogram there were no major outliers are detected.

Figure4.1 Histogram



4.7.2 Auto correlation test

A common method of testing for autocorrelation is the Durbin-Watson test. The Durbin-Watson test produces a test statistic that ranges from 0 to 4. It can be used to test the assumption that the residuals are independent (or uncorrelated). For this assumption to be met, the Durbin-Watson value needs to be close to 2 (Field, 2006). Values below 1 and above 3 are problematic and causes for concern. The table below shows that the Durbin Watson value of 1.867 and that the errors are independent of one another and therefore, the auto-correlation test has been met.

Table 4.10-Durbin Watson statistics

Model Summary					
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.242 ^a	0.059	0.033		0.53064
2	.892 ^b	0.795	0.776		0.25564

a. Dependent Variable: job satisfaction

b. Predictors: (Constant), experience, age, educational background, gender

c. Predictors: (Constant), experience, gender, educational background, age, individualized consideration, inspirational motivation, Idealized attribute, intellectual stimulation, idealized behaviour, contingent reward, MBE passive, MBE-active, laissez faire

4.7.3 Multi-collinearity test

Multi-collinearity is a statistical phenomenon in which two or more predictor variables in a multiple regression model are highly correlated. According to [Hawking, 1983] the term multi-

collinearity is defined as “A situation in which there is an exact or nearly exact linear relation among two or more of the input variables” (Paul, 2006).

Multi-collinearity occurs when the explanatory variables in the regression model are correlated with each other, and when the explanatory variable is correlated with a linear combination of two or more explanatory variables (Paul, 2004). If strong correlation exists between the explanatory variables, they become identical and cause disturbance in the data. The Variance Inflation Factor (VIF) and tolerance are both widely used measures of the degree of multi-collinearity of the *i*th independent variable with the other independent variables in a regression model.

The Variance Inflation Factor (VIF) is the inverse of the Tolerance value. VIF was computed to detect the problem of multicollinearity. The VIF values for all independent variables were less than 10, indicating that no serious multicollinearity exists between explanatory variables. VIF values above 10 would indicate the existence problem of multicollinearity. A tolerance of less than 0.10 indicates a serious collinearity problem, which means that the independent variables are highly correlated and the multi-collinearity assumption is violated. (Tabachnick & Fidell, 2001). From the table below the tolerance is greater than 0.10 suggesting that the assumption of multicollinearity is not violated.

Table 4.11- Collinearity statistics test of independent variables

Model	Tolerance	VIF
Individualized consideration	.730	1.370
Inspirational motivation	.424	2.359
Idealized attribute	.446	2.240
Intellectual stimulation	.476	2.100
Idealized behaviour	.457	2.190
Contingent reward	.716	1.397
Management by exception(passive)	.394	2.536
Management by exception(active)	.636	1.572
Laissez faire	.387	2.584

Source: Questionnaire output (2021)

4.7.4 Assumptions of homoscedasticity

It is the assumption that variance of errors is the same across all levels of the independent variables (Osborne & Waters, 2002). When the variance of errors differs at different values of the Independent Variables, heteroscedasticity is indicated. Homoscedasticity can be checked by visual examination of a plot of the standardized residuals (the errors) by the regression standardized predicted value (Osborne & Waters, 2002). The standard suggestion for examining the assumptions of homoscedasticity in regression analysis is to plot the predicted Y values against the residual values. Heteroscedasticity is indicated when this values are spread or fan out from left to right or right to left.

The scatterplot in the figure below shows that the points are concentrated around 0 and are distributed evenly which shows that no violation of homoscedasticity exists.

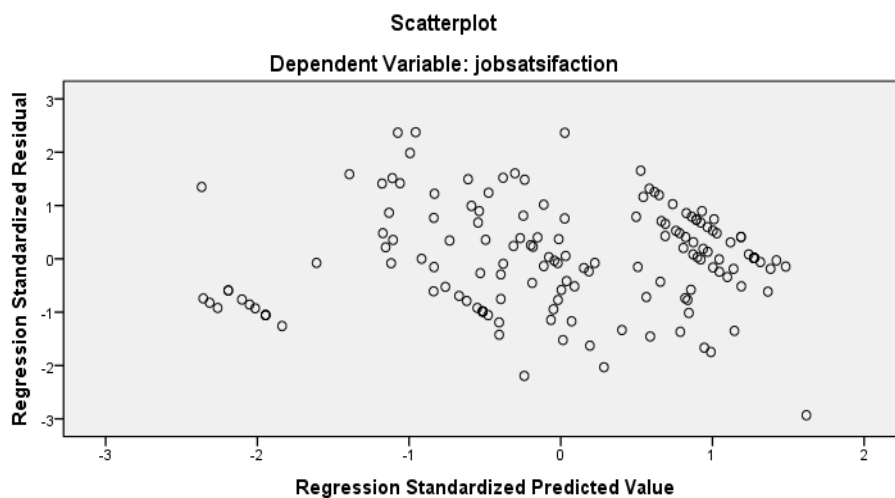


Figure4.2 - Scatterplot of standardized residuals

4.7.8 Linearity test

Assumption of a linear relationship between independent and dependent variables can be tested by looking at the P-P plot for the model. A preferable method of detection is examination of residual plots (plots of the standardized residuals as a function of standardized predicted values (Osborne and Waters, 2002).

As depicted in the graph below, the visual inspections of the p-p plot revealed that there exists linear relationship between the dependent and independent variables. This suggests no violation of the assumption of linearity.

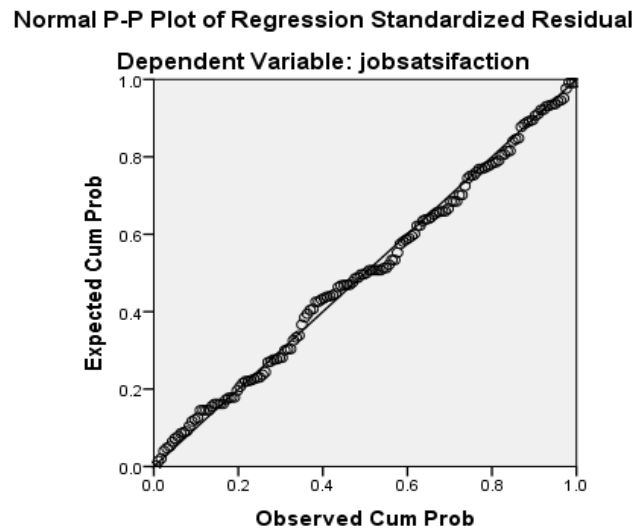


Figure 2.3 - scatterplot of standardized residuals for linearity

Multiple regression analysis was used to show the effect of the independent variables together on the dependent variable. Multiple regression models are used to test the significance of the model. Dimensions transformational, transactional and laissez faire are the independent variables explaining the dependent variable job satisfaction in the multiple regression model.

Table 4.12- The Model summary for the regression result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.242 ^a	0.059	0.033	0.53064
2	.892 ^b	0.795	0.776	0.25564

a. Dependent Variable: job satisfaction

b. Predictors: (Constant), experience, age, educational background, gender

c. Predictors: (Constant), experience, gender, educational background, age, individualized consideration, inspirational motivation, Idealized attribute, intellectual stimulation, idealized behaviour, contingent reward, MBE passive, MBE-active, laissez faire

All the independent variables have been entered into regression analysis to generate the predictive model of job satisfaction. The coefficient of multiple determinations value of R - square is 0.795. This value implies the proportion of the variance in the dependent variable that is explained by the dependent variable. Multiplying R -Square value by 100, the model explains 79.5% of the variance in the dependent variable job satisfaction. Before running the regression analysis the model adequacy and fitness was checked. The overall significance of the model was demonstrated in the Anova table below. The model reveals a statistically significant relationship between job satisfaction and predictor variables $F(13, 136) = 40.593$, $p < 0.001$. The result shows that the model is significant and the variation explained by this model is not obtained because of a chance.

Table 4.13- ANOVA result

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.546	4	0.636	2.260	.065 ^b
	Residual	40.829	145	0.282		
	Total	43.375	149			
2	Regression	34.487	13	2.653	40.593	.000 ^c
	Residual	8.888	136	0.065		
	Total	43.375	149			

a. Dependent Variable: job satisfaction

b. Predictors: (Constant), experience, gender, educational background, age

c. Predictors: (Constant), experience, age, educational background, gender, individualized consideration, inspirational motivation, Idealized attribute, intellectual stimulation, idealized behaviour, contingent reward, MBE passive, MBE-active, laissez faire

Table 4.14 -coefficients of the multiple regression model result

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.880	0.229		16.966	0.000
	Experience	-0.050	0.073	-0.088	-0.682	0.497
	Age	-0.115	0.080	-0.193	-1.448	0.150
	Educational background	0.093	0.093	0.097	1.003	0.318
	Gender	0.015	0.095	0.014	0.155	0.877
2	(Constant)	1.477	0.356		4.151	0.000
	Experience	0.017	0.037	0.030	0.465	0.643
	Age	-0.068	0.043	-0.114	-1.570	0.119
	Educational background	-0.035	0.049	-0.036	-0.726	0.469
	Gender	-0.061	0.050	-0.056	-1.222	0.224
	Individualized consideration	-0.083	0.048	-0.079	-1.748	0.083
	Inspirational motivation	0.323	0.062	0.313	5.253	0.000
	Idealized attribute	-0.055	0.065	-0.049	-0.851	0.396
	Intellectual stimulation	0.181	0.052	0.194	3.451	0.001
	Idealized behaviour	0.445	0.071	0.358	6.240	0.000
	Contingent reward	-0.070	0.082	-0.039	-0.858	0.392
	MBE-passive	-0.289	0.042	-0.430	-6.960	0.000
	MBE-active	0.141	0.063	0.109	2.230	0.027
	Laissez faire	0.058	0.041	0.088	1.411	0.160
a. Dependent Variable: Job satisfaction						

Source: survey result of the model (2021)

The equation of the regression model is $Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \beta_7 x_7 + \beta_8 x_8 + \beta_9 x_9 + e$. By rearranging the coefficients of the independent variables the equation will be

$Y = 1.477 - 0.083 x_1 + 0.323 x_2 - 0.055 x_3 + 0.181 x_4 + 0.445 x_5 - 0.070 x_6 - 0.289 x_7 + 0.141 x_8 + 0.058 x_9$. Y represents job satisfaction and β_0 , the constant which is 1.447 and e is a vector of errors of prediction. The multiple regression output shows that the coefficients indicate the magnitude of the impact of the dimensions of leadership style has on job satisfaction. The standardized beta coefficient is used to compare the strength of each of the explanatory variables on the dependent variable.

The regression standardized coefficients show that how much a unit change in the explanatory variables explains the change in the dependent variables. Therefore a large value of standardized beta coefficient of the independent variables implies a greater effect on the dependent variables.

The beta value of idealized behavior is 0.358 these shows that it has the highest positive effect on the dependent variable job satisfaction. Inspirational motivation has 0.313 which shows the second strongest effect on the dependent variable. Intellectual stimulation has 0.194 these value shows a positive effect on job satisfaction and Management by exception (active) has 0.109 with the least positive effect on the dependent variables. Management by exception (passive) has a value of -0.430 this value shows that it has the strongest negative effect on job satisfaction.

Contingent reward with standardized coefficients beta value of ($\beta = -0.039$, $P > 0.05$), Individualized consideration with ($\beta = -0.079$, $P > 0.05$), Idealized attribute with ($\beta = -0.049$, $P > 0.05$) have a negative but statistically insignificant impact on job satisfaction and Laissez faire with ($\beta = 0.088$, $P > 0.05$) have a positive but insignificant effect.

The insignificance and negative values of contingent reward, individualized consideration, idealized attribute and laissez faire leadership is due to moderate collinearity in the data. The insignificant relationship implies that they have no significant effect on job satisfaction.

4.8 Discussion

Hypothesis Testing

H_{a1} = Individualized consideration has a significant effect on job satisfaction

It has a beta value of -0.079 at $P > 0.05$ this result implies that individualized consideration has a negative and insignificant effect on job satisfaction, thus showing that the study failed to reject the null hypothesis. The study indicates that individualized consideration does not have a significant effect on predicting employees' satisfaction.

H_{a2} = Inspirational motivation has a significant effect on job satisfaction

It has a positive and significant effect on job satisfaction with beta value of 0.313 at $P < 0.05$ which shows a statistically significant positive effect on job satisfaction, thus rejecting the null

hypothesis and accepting the alternative hypothesis. The study indicates that inspirational motivation has a significant effect on predicting employees' satisfaction.

H_{a3}= Idealized attribute has a significant effect on job satisfaction

Idealized attribute has a beta value of -0.049 with $P > 0.05$, thus implying that it has a negative and insignificant effect on job satisfaction. The study indicates that idealized attribute does not have a significant effect on predicting employees' satisfaction. Therefore the study failed to reject the null hypothesis.

H_{a4}=Intellectual stimulation has a significant effect on job satisfaction

It has a positive and significant effect on job satisfaction with beta value of 0.194 and $P < 0.05$. The result implies that there is a positive and significant effect on job satisfaction. The study rejects the null hypothesis and accepts the alternative hypothesis and it also indicates intellectual stimulation that has a significant effect on predicting employees' satisfaction.

H_{a5}=Idealized behavior has a significant effect on job satisfaction

It has a positive and significant effect on job satisfaction with a beta value of 0.358 and $P < 0.05$ which shows that a statistically significant positive effect on job satisfaction, Therefore the study rejects the null hypothesis and accepts the alternative hypothesis. It shows that idealized behaviour has a significant effect on predicting employees' satisfaction.

H_{a6}=Contingent reward has a significant effect on job satisfaction

Contingent reward has a negative and statistically insignificant effect on job satisfaction with a beta value of -0.039 at $P > 0.05$. Thus the study failed to reject the null hypothesis. It indicates that contingent reward does not have a significant effect on predicting employees' satisfaction.

H_{a7}=Management by exception (passive) has a significant effect on job satisfaction

Management by exception (passive) has a negative and statistically significant effect on job satisfaction with a beta value of -0.430 and $P < 0.05$. The study rejects the null hypothesis and accepts the alternative hypothesis. It also indicates that it has a significant effect on predicting employees' satisfaction.

Ha₈=Management by exception (active) has a significant effect on job satisfaction

It has a beta value of 0.109 and $P < 0.05$. It has a positive and statistically significant effect on job satisfaction and hence the study rejects the null hypothesis.

Ha₉=Laissez faire has a significant effect on job satisfaction.

This leadership style has a positive but insignificant effect on job satisfaction. It has a beta value of 0.088 at $P > 0.05$. Hence the study failed to reject the null hypothesis therefore laissez faire does not have a significant effect on predicting employees' satisfaction.

The findings of the descriptive statistics show that idealized behaviour has the highest mean value followed by inspirational motivation, idealized attribute and intellectual stimulation. The result implies that transformational leadership is the most practiced leadership style.

The findings of the correlation analysis indicate that correlation exists between the dimensions of transformational leadership and job satisfaction, and each has a positive correlation with job satisfaction except individualized consideration which has a negative and insignificant relationship with job satisfaction. Similar result was obtained by (Omar & Hussin, 2013) where intellectual stimulation is positively related with job satisfaction and individualized consideration is negatively related. A study conducted by (Shibru & Darshan, 2011) determined the effect of transformational leadership on job satisfaction and identified that each individual transformational leadership dimension is positively related with job satisfaction which is similar to findings of this study but the result contradicts with regard to the relationship of individualized consideration with job satisfaction.

The multiple regression result implies that five predictor variables are statistically significant while four are statistically insignificant predicting the dependent variable. Inspirational motivation, idealized behaviour, management by exception (Active) and intellectual stimulation positively predict job satisfaction. This findings are similar to Rothfielder ,Ottenbacher & Harrington(2016), who identified the effect of each dimensions of transformational, transactional and laissez faire leadership styles in German hospitality industry context. The findings show that Intellectual Stimulation, Idealized Behaviour, and Inspirational Motivation have positive

significant relationship on job satisfaction and MBE (Passive) has a negative relationship. Similar results were also obtained by Erkutlu.H (2008).

The findings of Rothfielder ,Ottenbacher & Harrington. (2016) and (Voon.,Lo, Ngui and Ayob, 2011) show contingent reward behaviour is positively related to job satisfaction and laissez faire has no effect on job satisfaction but findings of this study indicate that there is a negative and statistically insignificant relationship between contingent reward and job satisfaction. With regard to laissez faire leadership a negative relationship existed with job satisfaction.

Similar results were obtained by (Voon.,Lo,Ngui & Ayob, 2011), (Chen,Amos,& Beck,2005) and (Erkutlu,2008), with regard to MBE (Passive) which indicates that it is negatively related to job satisfaction. (Voon.,Lo., Ngui & Ayob, 2011) & (Erkutlu, 2008), findings show Active MBE is positively related to job satisfaction which is similar to this study findings. (Erkutlu, 2008), also identified laissez faire leadership style is negatively related to job satisfaction.

The findings of this study also show that the effect of demographic factors such as age, experience, educational background and gender is insignificant in predicting job satisfaction. Age of employees ($t = -1.448$, $P > 0.05$) and Experience ($t = -0.682$, $P > 0.05$) are negatively and inversely related but statistically insignificant in predicting job satisfaction. Gender ($t = 0.155$, $P > 0.05$) and educational background ($t = 1.003$, $P > 0.05$) have positive but insignificant relationship with job satisfaction. Findings of (Jones & Rudd, 2008) shows that leaders of the academic programs practice transformational leadership more often and no relationship existed between demographic variables and leadership style. The overall result established that dimensions of transformational Leadership style to have the greater rate of influence than dimensions of transactional and laissez faire leadership style. Idealized behavior, inspirational motivation, intellectual stimulation and management by exception (passive), management by exception (active), are statistically significant in predicting and determining the dependent variable.

The size of the selected non-governmental organizations is small and according to (Berson, Shaimer, Avolio & Pooper 2001), the size of the organization may have an effect on transformational leadership. The study shows that the impact of transformational leaders' vision is more positive in smaller organizations. This may be due to the fact that the leader may have more contact with followers in smaller organizations than in larger ones.

CHAPTER FIVE

5. SUMMARY CONCLUSIONS AND RECOMMENDATIONS

This chapter outlines summary of findings, conclusion and recommendations. The questionnaire was distributed to 168 sampled employee respondents of those questionnaires 150 were returned and used for analysis using Statistical Package for the Social Sciences (SPSS version 24).

The major objective of the research is to establish the impact of leadership styles on employees' job satisfaction in five selected non-government organizations located in Addis Ababa. To this effect the study examines

- The relationship of dimensions of transformational, transactional and laissez faire leadership styles on employees' satisfaction
- The effect of the dimensions of transformational style,
- The effect of the dimensions transactional leadership
- The effect of laissez faire leadership

5.1 Summary of findings

- ✓ The demographic part shows that out of 150 respondents 83(55.3%) are male and 67(44.6%) are female.
- ✓ Majority of the respondents are between the ages of 31-40, making 48% of the total. 19.3% are between of 21-30 this shows that most of them are young and middle aged.
- ✓ Educational level of the respondents shows that 93(62%) are Masters' degree holders and 52(34.6%) are bachelor degree holders. 36.7% of them have more than 4 years of experience while 32.7% have 3-4 years. These show that most of the respondents have more than 3 years of experience in their respective organizations.

The descriptive statistics shows that transformational leadership has a mean value of 3.20 and SD=0.34, transactional and laissez faire leadership have a mean value of 1.755 and 1.8083, respectively. This result indicates that transformational leadership is the most practiced leadership style among managers.

Among the dimensions of transformational leadership the mean values indicate that idealized behavior has the highest mean value of ($M=3.40$, $SD= 0.43$) followed by inspirational motivation with ($M=3.31$, $SD = 0.52$), idealized attribute ($M=3.27$, $SD=0.48$) and Intellectual stimulation (3.22 , $SD= 0.57$). The four dimensions of transformational leadership are the most practiced and Contingent reward has a mean score of 2.84 standard deviation of 0.30 showing that it is the most practiced dimension next to the four dimensions of transformational leadership style.

The mean values of dimensions of job satisfaction imply that employees are satisfied with work relationship they have with the highest mean ($M=4.16$ and $SD=0.38$) value of among the dimensions of job satisfaction followed by the general working conditions with $M=3.98$ and $SD=0.48$ and use of skills and abilities ($M=3.79$, $SD=0.84$).

The correlation analysis shows a positive and significant relationship between dimensions of transformational leadership except individualized consideration and job satisfaction. Idealized behavior($r=0.597$, $P<0.01$, Inspirational motivation ($r=0.726$, $P<0.01$) and intellectual stimulation($r=0.680$, $P<0.01$) are strongly related to job satisfaction and idealized attribute($r=0.432$, $P<0.01$) is moderately related, but individualized consideration has no significant relationship with job satisfaction.

Among the dimensions of transactional leadership, management by exception (active) is weakly and positively related to job satisfaction. ($r=0.191$, $P<0.05$). A strong negative relationship($r= -0.576$, $P<0.01$) existed between management by exception (passive) and job satisfaction.

Laissez faire is negatively related to job satisfaction($r= -0.444$, $P<0.01$). Finally the Pearson correlation shows that there is a significant relationship between leadership styles and employees' job satisfaction.

Multiple regression model was run using the nine independent variables and the demographic variables. Out of these predicting variables five variables were found to be statistically significant and the remaining four variables were found statistically insignificant. The demographic variables have no significant impact on job satisfaction. The multiple regression analysis model results showed that leadership styles predicted 79.5% of variance in job satisfaction.

5.2 Conclusion

The study was conducted to determine the impact of transformational, transactional and laissez faire leadership styles on employees' job satisfaction. Towards this end:

The study identified the relationship between the variables. Each dimension of transformational leadership has a positive relationship with job satisfaction except individualized consideration. Management by exception (Active) has a weak and positive correlation whereas management by exception (passive) and laissez faire have moderate negative relationship with job satisfaction.

The findings indicate that 79.5% of job satisfaction is explained by the independent variables, the remaining 20.5% is not explained by the model. The demographic variables have no significant impact on predicting the dependent variables. Age and experience have negative and insignificant relationships whereas gender and educational background have positive but insignificant relationship with job satisfaction.

The study findings show that employees are satisfied when managers display intellectual stimulation, idealized behavior, inspirational motivation and management by exception (active) forms of leadership style.

Idealized behavior has the strongest and the most positive effect on predicting job satisfaction followed by inspirational motivation, intellectual stimulation and management by exception (active), respectively. Management by exception (passive) has the strongest and the most negative effect on job satisfaction. Leaders who do not take action on time when problems arise have a negative effect on determining the level of job satisfaction.

The findings also show that leaders with individualized consideration, contingent reward, idealized attribute and laissez faire leadership style have insignificant effect on predicting job satisfaction.

5.3 Recommendation

These recommendations are made on the basis of the findings of this study which dealt with five faith based organizations located in Addis Ababa. Accordingly, it is recommended that the following dimensions of transformational leadership namely, inspirational motivation, idealized behavior, intellectual stimulation and dimension of transactional leadership namely, management by exception (Active) should be practiced in order to increase satisfaction.

- ✓ Leaders should show inspirational motivation type of transformational leadership to motivate, inspire and create a sense of purpose in their subordinates to achieve organizational goals.
- ✓ Intellectual stimulation promotes the development of innovative ideas therefore it is recommended that a leader should support creativity and critical thinking when solving problems to increase employees' job satisfaction. A leader should display a behavior that makes employees inquisitive by supporting them to question assumptions. They should also focus on a number of approaches to accomplish a task.
- ✓ It is recommended that leaders should talk about their most important values with their subordinates to be considered as role models to their subordinates and as a result to increase employees' satisfaction. They should also practice an ethical decision making by examining the outcome of their decisions.
- ✓ Leaders should follow up mistakes of employees and take corrective measures before problems arise to increase employees' satisfaction for this reason, assessment of employees' job satisfaction should be carried out regularly.

5.4 Recommendations for future studies

This study was only conducted on faith-based non-government organizations. It can be used as a basis for further research in other non-governmental organizations and other sectors.

References

- Armstrong (2006). *A handbook of human resource management practice (10th edition)*. London and Philadelphia: Kogan Page Limited.
- Avolio.B.J, Bass.B.M (2002), *Developing potential across a full range of leadership 'Cases on Transactional and Transformational Leadership'*, Mahwah, New Jersey, London Lawrence Erlbaum associates.
- Aziri,B.(2011). Job Satisfaction: A Literature Review. *Management Research and Practice* (3), 77-86.
- Bateh. J & Heyliger. W, (2014). Academic Administrator Leadership Styles and the Impact on Faculty Job Satisfaction. *Journal of Leadership Education*, Vol 13, 34-49.
- Bass.B.M(1990), From transactional to transformational leadership: learning to share vision, *Elsevier science publishing company ,Inc, PP-19-31*
- Belonio.R,J,(2012). The effect of leadership style on employee satisfaction and performance of bank employees in Bangkok. *AU-GSB e-journal, assumptionjournal.au.edu*, 111-116.
- Bass.B.M, Riggio.R.E, (2006). *Transformational Leadership*, (2ND edition), Mahwah, New Jersey London. Lawrence Erlbaum Associates Publishers.
- Bass.B.M, Avolio.B.J (1993), Transformational Leadership and organizational culture, *Public administration quarterly JSTOR*, 112-121.
- Burns, J.M, (1978), *Leadership*, N.Y, Harper and Row.

- Butt, Zaheer.B ,Rehman, Ur.K , Safwan, Nadeem,(2007), A study measuring the effect of pay, promotion and training on job satisfaction in Pakistani service industry, *European Journal of Social Sciences* – Vol- 5, No- 3,PP- 36-44.
- Castillo.J.X, Cano.J(2004), Factors explaining job satisfaction among faculty, *Journal of Agricultural Education*, Vol- 45, NO- 3, PP-65-74
- Chen.H.C, Beck.S.L, Amos.L.K (2005), Leadership styles and nursing faculty job satisfaction in Taiwan, *Journal of nursing scholarship*, PP-374-380.
- Connelly.L.M (2008). Pilot studies, *MEDSURG Nursing- vol 17 No(6)*, 411.
- Day.D.D, Zaccaro.S.J, Halpin.S.M (2004). *Leader development for transforming organizations growing leaders for tomorrow*. U.S.A: Lawrence, Erlbaum associates.
- Day.D.V, Antonakis.J ,(2012). The nature of leadership, *SAGE Publications India Pvt. Ltd*,2nd edition. 1-37.
- Dennick.R & Tavakol.M (2011). Making sense of cronbach's alpha. *International journal of medical education*, vol-2, 53-55.
- Dulock.H.L (1993). Research design: Descriptive Research, *Journal of pediatric Oncology Nursing*, vol 10, no 4, 154-157.
- Ephrem Arefaine Gebreslassie(2016). An assessment of the leadership styles of Ethio-telecom managers, Addis Ababa, Ethiopia.
- Erkutlu.H (2008) , The impact of transformational leadership on organizational and leadership effectiveness, The Turkish case, *Journal of management development* vol 27,no 7 ,PP- 708-726.

- Fasika Yalew (2016), the Effect of Leadership Styles on Employees' Job Satisfaction in Program for Appropriate Technology in Health (PATH) Ethiopia, Addis Ababa, Ethiopia.
- Feldman D.C and Arnold H.J, (1983). *Managing individual and group behavior in organizations*. New York: Mc Grow Hill.
- Ferris. E (2005). Faith-based and secular humanitarian organizations. *International review of the red cross*, 87(858), 311-325.
- Field, A. (2006). *Discovering Statistics Using SPSS*. 2nd ed., London: Sage Publication.
- Gliem.A.J, Gliem.R.R (2003), Calculating, Interpreting, and Reporting Cronbach's Alpha Reliability Coefficient for Likert-Type Scales. *Midwest Research to Practice Conference in Adult, Continuing, and Community Education*, 82-88.
- Graham.H.T, Bennett. R(1991), *Human resource management*, (6th ed.). London: Pitman publishing.
- Hackman, M. Z., & Johnson, C. E. (2004). *Leadership: a communication perspective*. Long Grove: Waveland Press House.
- Hemphill.J.F (2003), Interpreting the Magnitudes of Correlation Coefficients, *the American Psychological Association*, 58, 78-79.
- Henok Shiferaw Meshesha, (2014). Comparative Study of Transformational Leadership Practices Between Government and Private Universities in Addis Ababa City, Unpublished thesis, Addis Ababa, Ethiopia.
- Hughes. R.L, Ginnett.R.C, Curphy.G.J (2007). *Leadership: Enhancing the lessons of experience*.(5th ed.). New Delhi: Tata McGraw- Hill publishing company limited.

- Judge.T.A, Piccolo.R.F , Podsakoff.N.P , Shaw.J.C , Rich.B.L(2010) , The relationship between pay and job satisfaction: A meta-analysis of the literature, *Journal of Vocational Behaviour* 77, PP-157–167.
- Kothari, C.R. (2004). *Research Methodology: Methods and Techniques* (2nd edition). New Delhi: New Age International Publishers.
- McMurray.A.J, Merlo.A.P and Sarros.J.C, Islam.M.M (2010). Leadership, climate, psychological capital, commitment, and wellbeing in a non-profit organization. *Leadership & Organization Development Journal* 31, (5), 436-457.
- Omar.W.A.W , Hussin.F (2013), Transformational leadership style and job satisfaction relationship: A study of structural equation modelling(SEM) *International journal of academic research in business and social science*. Vol- 3 No 2, PP-346-365.
- Osborne, J.W. and Waters.E (2002). "Four assumptions of multiple regression that researchers should always test." *Practical Assessment, Research, and Evaluation*: 8(2), 1-5.
- Paul.R.K (2006). Multicollinearity; causes, effects and remedies, *I.A.S.R.I, Library Avenue*, 1-14.
- Qasim.S, Cheema.F, Syed.N.A(2012), Exploring Factors Affecting Employees' Job Satisfaction at Work, *Journal of Management and Social Sciences Vol. 8, No. 1*, PP-31-39
- Meseret Assefa (2020), The effect of leadership styles on employees' job satisfaction; case of commercial bank of Ethiopia, Addis Ababa, Ethiopia.
- Mikiyas Fekadu(2019), Factors Affecting the Growth of Agent Banking Operation in Selected Ethiopian Commercial Banks, Addis Ababa, Ethiopia.

- Naveed.A, Usman.A & Bushra,F(2011), Promotion: A Predictor of Job Satisfaction A Study of Glass Industry of Lahore (Pakistan), *International Journal of Business and Social Science*, Vol. 2 No. 16; PP-301-305.
- Northouse.P.G (2016). *Leadership: theory and practice*, (7th edition). Thousand Oaks, California: SAGE Publications Inc.
- Pihie.Z, Sadeghi. A & Elias.H (2011). Analysis of Head of Departments Leadership Styles: Implication for Improving Research University Management Practices, *Procedia-Social and behavioural sciences*, 3(7), 1081-1090.
- Riaz.A & Haider.MH (2010). Role of transformational and transactional leadership on job satisfaction and career satisfaction. - *Business and Economic Horizons*,(1) 29-38.
- Sadeghi.A & Pihie.Z,A,L (2012), Transformational leadership and its predictive effects of leadership effectiveness , *International journal of business and social science*, vol (3)No 7, PP-186-197
- Saleem.H (2015), the impact of leadership styles on job satisfaction and mediating role of perceived organizational politics, *Procedia - social and behavioural Sciences* (172), 563 – 569.
- Saunders.M. Lewis.P & Thornhill.A (2009). *Research methods for business students* (5th edition), New York, Prentice Hall,
- Shah.M.J, Rehman.M.U, Akhtar.G, Zafar.H, Riaz.A,(2012), Job Satisfaction and Motivation of Teachers of Public Educational Institutions, *International Journal of Business and Social Science Vol. 3 No. 8 [Special Issue - April 2012]*, PP- 271- 281
- Singh.J.K, Jain.M,(2013) A study of employees' job satisfaction and its impact on their performance, *Journal of Indian Research Vol.1, No.4*, PP- 105- 111.

- Raziqa.A, Maulabakhsh.R(2015), Impact of Working Environment on Job Satisfaction, *Procedia Economics and Finance* 23, PP- 717 – 725.
- Rothfelder.K, Ottenbacher.M & Harrington.R (2013), The impact of transformational, transactional and non-leadership styles on employee job satisfaction in the German hospitality industry, *Tourism and Hospitality Research* 12(4), 201–214
- Ruth W/tensay (2014), The Effect of Leadership Styles on Employee job satisfaction: The Case of PEPFAR Implementing University Partners, Addis Ababa, Ethiopia.
- Spector, P.E. (1997). *Job satisfaction: Application, assessment, causes, and consequences*. Oaks, California: SAGE Publications Inc.
- Schermermerhorn.J.R, Templer.A.J, Cattaneo.R.J, Hunt.J.G, Osborn.R.N (1992). *Managing organizational behavior*, (1st edition). Canada: John Wiley and sons.
- Shibru.B & Darshan G.M, (2011). Effects of transformational leadership on subordinate job satisfaction in leather companies in Ethiopia. *International journal of business management and economic research*. Vol 2(5), 284-296.
- Taherdoost.H,(2016). Sampling methods in research methodology: How to choose a sampling technique for research. *International journal of academic research in management (IJARM)*. Vol 5, No 2, 19-27.
- Tesfaye Sinicho(2019). The impact of leadership style on employees' job satisfaction in Salale University, Addis Ababa, Ethiopia.

Tessema.M.T, Ready.K.J, Embaye.A.B(2013), The Effects of Employee Recognition, Pay, and Benefits on Job Satisfaction: Cross Country Evidence, *Journal of Business and Economics*, Volume 4, No. 1, PP. 1-12

Voon.M.L, LO.M.C, Ngui.K.S, Ayob.N.B (2011), The influence of leadership styles on employees' job satisfaction in public sector organizations in Malaysia, *International journal of business and management and social science*. Vol 2 ,no 1, PP-.24-32.

Yamane, T. (1967). *Statistics: An Introductory Analysis*, (2nd edition). New York: Harper and Row.

Zou, K. H., Tuncali, K., & Silverman, S. G. (2003). Correlation and Simple Linear Regression. *Radiology*, 227, -617-628.

APPENDICES

Appendix 1 - Multiple regression output

Coefficients ^a												
		Unstandardized Coefficients		Standard ized Coeffie nts			Correlations			Collinearity Statistics		
							Zero- order	Partial	Part	Tolera nce	VIF	
Model		B	Std. Error	Beta	t	Sig.						
1	(Constant)	3.880	0.229		16.966	0.000						
	experience	-0.050	0.073	-0.088	-0.682	0.497	-0.195	-0.057	-0.055	0.388	2.577	
	age	-0.115	0.080	-0.193	-1.448	0.150	-0.221	-0.119	-0.117	0.364	2.750	
	educational background	0.093	0.093	0.097	1.003	0.318	-0.022	0.083	0.081	0.699	1.431	
	gender	0.015	0.095	0.014	0.155	0.877	0.064	0.013	0.012	0.848	1.180	
2	(Constant)	1.477	0.356		4.151	0.000						
	experience	0.017	0.037	0.030	0.465	0.643	-0.195	0.040	0.018	0.358	2.797	
	age	-0.068	0.043	-0.114	-1.570	0.119	-0.221	-0.133	-0.061	0.288	3.478	
	educational background	-0.035	0.049	-0.036	-0.726	0.469	-0.022	-0.062	-0.028	0.597	1.675	
	gender	-0.061	0.050	-0.056	-1.222	0.224	0.064	-0.104	-0.047	0.707	1.415	
	individualized consideration	-0.083	0.048	-0.079	-1.748	0.083	-0.027	-0.148	-0.068	0.730	1.370	
	inspirational motivation	0.323	0.062	0.313	5.253	0.000	0.726	0.411	0.204	0.424	2.359	
	Idealized attribute	-0.055	0.065	-0.049	-0.851	0.396	0.432	-0.073	-0.033	0.446	2.240	
	intellectual stimulation	0.181	0.052	0.194	3.451	0.001	0.680	0.284	0.134	0.476	2.100	
	Idealized behaviour	0.445	0.071	0.358	6.240	0.000	0.597	0.472	0.242	0.457	2.190	
	contingent reward	-0.070	0.082	-0.039	-0.858	0.392	0.128	-0.073	-0.033	0.716	1.397	
	MBE passive	-0.289	0.042	-0.430	-6.960	0.000	-0.576	-0.512	-0.270	0.394	2.536	
	MBE active	0.141	0.063	0.109	2.230	0.027	0.191	0.188	0.087	0.636	1.572	
	lassiez faire	0.058	0.041	0.088	1.411	0.160	-0.444	0.120	0.055	0.387	2.584	
	a. Dependent Variable: jobsatsifaction											

Appendix 2- Questionnaires

ADDIS ABABA UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT
MASTERS OF BUSINESS ADMINISTRATION

Dear, respondents

My name is Elifaelaf Daniel and I am conducting a study entitled, "The impact of leadership styles on employees' job satisfaction in selected NGOs' located in Addis Ababa" to fill the requirement for the completion of Master program in Masters of Business Administration (MBA), in Management.

The aim of this study is to examine the impact of leadership style on employees job satisfaction and any information obtained regarding with this study will be used for academic purpose only and remain strictly confidential and not to be shared to any of your organization's administrators, supervisors or employees.

Your contribution to this work is valuable. If any clarifications are needed you can contact me at elefidan@gmail.com

Thank you in advance for your assistance

Section 1- DEMOGRAPHIC DATA

Please fill in the blanks, and put this mark (√) to indicate your choice for these items that have alternative responses.

1. Sex: ☐.Female ☐. Male

2. Age:

A. below 20 years B. From 21 – 30 C. From 31 – 40 D. From 41 – 50 E. 51-60 F. Above 60

3. Educational Background

A. Senior secondary school B. Vocational/technical school C. Diploma D. Degree E. Masters F. PHD

4. Work experience, in your organization

A. Below 1-year B. 1-2 year C. 3-4 year D. more than 4 years

5. Job position

6. Number of subordinates under your supervision (if applicable)

Section A1 - Multifactor leadership questionnaire that is used to rate leaders (rater form).

Please tick your preferences

No	Items for rating employers'	Not at all(0)	Once in a while(1)	Sometimes(2)	Fairly often(3)	Frequently, if not always(4)
1	Recognizes me as having different needs, abilities, and aspirations from others					
2	Spends time teaching and coaching					
3	Helps me to develop my strengths					
4	Gives me individual attention rather than just as a member of a group					
5	Articulate a compelling vision of the future					
6	Talks optimistically about the future					
7	Expresses confidence that goals will be achieved					
8	Talks passionately about what needs to be accomplished					
9	Goes beyond self-interest for the good of the group					
10	Shows a sense of power and confidence					
11	Instills pride in me for being associated with him/her					
12	Behaves in ways that build respect in me					
13	Propose new ways of looking at how to complete assignments					
14	Gets me to look at problems from different angles					
15	Re-considers critical assumptions to question whether they are appropriate					
16	Seeks differing perspectives when solving problems					

17	Examine the moral and ethical consequences of decisions					
18	Examine the significance of having a collective sense of mission					
19	Talks about their most important values and beliefs					
20	Identifies the importance of having a strong sense of purpose					
21	Gives recognition when I meet expectations					
22	Clarifies expectation to receive when performance goals are achieved					
23	Assists me in exchange for my efforts					
24	Specifies who is responsible for achieving performance targets					
25	Believes firmly in avoiding actions before things go wrong.					
26	Fails to act before problems become chronic					
27	Fails to act until problems become serious.					
28	Waits for things to go wrong before taking action.					
29	keeps track of all mistakes					
30	Gives attention on irregularities, mistakes, exceptions, and deviations from standards					
31	Directs my attention to examine failures to meet standards					
32	Is careful on dealing with mistakes, complaints, and failures					
33	Is not available when needed					

34	Delays responding to urgent questions					
35	Fails to be involved when important issues arise					
36	Evades making decisions					

Section A2. Multifactor leadership questionnaire leader form

No	Items for self-rate of employers	Not at all(0)	Once in a while(1)	Sometimes(2)	Fairly often(3)	Frequently, if not always(4)
1	I recognize an individual as having different needs, abilities, and aspirations from others					
2	I spend time teaching and coaching					
3	I help others to develop their strengths					
4	I give attention for an individuals rather than just as a member of a group					
5	I articulate a compelling vision of the future					
6	I talk optimistically about the future					
7	I express confidence that goals will be achieved					
8	I talk passionately about what needs to be accomplished					
9	I go beyond self-interest for the good of the group					
10	I show a sense of power and confidence					
11	I instill pride in others for being associated with me					

12	I act in ways that build others' respect for me					
13	I propose new ways of looking on how to complete assignments					
14	I get others to look at problems from different angles					
15	I re-consider critical assumptions to question whether they are appropriate					
16	I seek differing perspectives when solving problems					
17	I examine the moral and ethical consequences of decisions					
18	I examine the significance of having a collective sense of mission					
19	I talk about their most important values and beliefs					
20	I identify the importance of having a strong sense of purpose					
21	I give recognition when others meet expectations					
22	I clarify expectations to receive when performance goals are achieved					
23	I assist others in exchange for their efforts					
24	I specify who is responsible for achieving performance targets					
25	I believe firmly in avoiding actions before things go wrong					
26	I fail to act before problems become chronic					

27	I fail to act until problems become serious.					
28	I wait for things to go wrong before taking action.					
29	I keep track of all their mistakes					
30	I give attention on irregularities, mistakes, exceptions, and deviations from standards					
31	I direct their attention to examine failures to meet standards					
32	I'm careful on dealing with mistakes, complaints, and failures					
33	I am not available when needed					
34	I delay responding to urgent questions					
35	I fail to get involved when important issues arise					
36	I evade making decisions.					

Section B- Job satisfaction survey (JSS)

Items	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
PAY AND PROMOTION POTENTIAL					
Job Security					
Benefits (Health insurance, life insurance, etc.) offered					
Recognition for works achieved					
Promotion Opportunities					
Salary offered					
USE OF SKILLS AND ABILITIES					
Support for training & education					
Opportunities to utilize your skills and capabilities					
Opportunities to acquire new skills					
WORK ACTIVITIES					
Degree of independence in work roles					
Good opportunities for periodic changes in duties					
Variety of work responsibilities					
WORK RELATIONSHIPS					
Relationship with subordinates					
Relationship with co-workers					
Relationship with supervisor					
GENERAL WORKING CONDITIONS					
Flexible schedule					
Hours worked each week					
Paid vacation, time/sick leave offered					
Location of work place					

