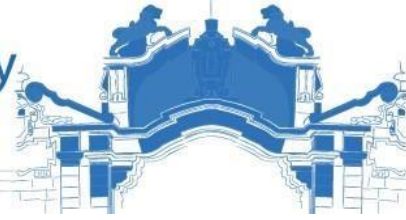




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The Effect of Leadership Styles on Job Satisfaction: The Case of Panafric Global PLC

A Research Project Submitted to Addis Ababa University, School of
Commerce in Partial Fulfillment of the Requirements for Master's
Degree of Business Leadership

By: Helina Mesfin

Advisor: Abdurazak Mohammed (PhD).

June, 2020

Addis Ababa, Ethiopia

DECLARATION

I hereby declare that this study entitled "The Effect of Leadership Styles on Job Satisfaction: The case of Panafric Global PLC" is my original work prepared under the guidance of my advisor Abdurazak Mohammed (PhD). This paper is submitted in partial fulfillment of the requirement for the award of Master of Arts Degree in Business Leadership and it has not been previously submitted to any diploma or degree in any college or university. I would also like to confirm that all the sources of materials used in this study are accordingly acknowledged.

By: Helina Mesfin

Signature: _____

Date: _____

STATEMENT OF CERTIFICATION

This is to officially state that Helina Mesfin has completed this research project work on the topic entitled “The Effect of Leadership Styles on Job Satisfaction: The case of Panafric Global PLC “under my supervision. This work is original in nature and it is sufficient for submission for the partial fulfillment for the requirements of the award of Masters of Art in Business Leadership.

Name: Abdurazak Mohammed (PhD)

Signature: _____

Date: _____

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
COLLEGE OF BUSINESS AND ECONOMICS

The Effect of Leadership Styles on Job Satisfaction: The case of
Panafric Global PLC

BY: HELINA MESFIN

APPROVED BY BOARD OF EXAMINERS

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ACRONYMS

ANOVA- Analysis of Variance

ERP- Enterprise Resource Planning

IFFS- Integrated Freight Forwarding System

JSS- Job Satisfaction Survey

MLQ- Multifactor Leadership Questionnaire

PAG- Panafric Global

Sig. - Significant

SPSS- Statistical Package for the Social Science

Std. Deviation- Standard Deviation

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ABSTRACT

The reason which initiates to do this study is that to show the effect of leadership styles on job satisfaction: the case of Panafric Global PLC. The participants of the study were employees of Panafric global PLC in Addis Ababa. In order to collect data, the researcher employed simple random sampling techniques to select participants of the study and total 104 questionnaires were distributed and 90 were properly filled and returned by using (MLQ) Multifactor Leadership Questionnaire and (JSS) Job Satisfaction Scale. In addition to analyze the data SPSS version 26 were used, reliability of questionnaire items had been tested using Cronbach's alpha, the study applied frequency and percentages, descriptive statistics and regression analysis. According to the descriptive statistics analysis all the three leadership styles are practical in Panafric Global PLC. The end result in the regression analysis bared that transformational leadership style has a positive significant effect on the dependent variable (Job Satisfaction). Transactional and Laissez faire leadership styles were found to have insignificant effect on job satisfaction. As a result the researcher recommends PAG to put an effort in employing transformative leaders because their characters increase employee job satisfaction, PAG should also work on improving job satisfaction factors in which the employees are less satisfied with, and conduct job satisfaction surveys regularly and take counteractive actions on areas that need improvement. Extensive training in leadership-related programs that will be conducted regularly is also recommended by the study.

Key words: Leadership style, Transformational, Transactional, Laissez Faire, PAG.

CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Making employees imagine what the future will look like and getting started to change the environment to reach the image is called Leadership (Long, & Thean, 2011). Leadership issues have been broadly conversed issue. To define its meaning many literates dedicate their time.

As people are different, the way they give meaning to leadership is also different. Most of leadership definitions use common words. Pushing people in a positive way to reach to the desired state of the company's is called leading (Schermerhorn, 1999).

When leaders and subordinates interact the trend of behavior they show is what we call leadership style (Miller, Walker & Drummond, 2002). When one's emotion towards what he/she does is good, we can say that there is Job satisfaction (Locke, 1976).

When one performs a job if he or she felt an enjoyment we can say that there is job satisfaction. It is challenging for a supervisor to assure that whether their subordinates are satisfied or not. When one feels fulfilled in an organization he/she is more efficient and successful (Haque et al., 2015).

A good treatment will make the workforce satisfied (Aziri, 2011; Haque, Faizan & Cockrill, 2017). A good and encouraging attitude to one's own job comes from being greatly satisfied and a bad attitude comes from being dissatisfied. To measure the fulfillment state Spector (1994) develops "**job satisfaction measuring scale (JSS)**". In this JSS measurement pay, benefits, supervision, promotion, nature of work, and coworkers are included. Spector's job satisfaction measuring scale was used in this study to measure the level of satisfaction.

How leaders lead and how much are subordinated fulfilled have a major impact on employees job result. (Spector, 2000). So, to keep achieving the desired goal, the leadership style should suit both leaders and subordinates. When an organization wants to keep employees with the talent it needs, it should be able to encourage job satisfaction. (Voon, et al, 2011). Bass and Avolio, 1994 full range of leadership theory was used for this study. It contends that there are three types of leaders which are transformational, transactional and laissez-faire leadership styles. This theory also state that using this theory is best suited for studies on job satisfaction, mindset of belongingness and mentorship.

This research paper addressed the effect of leadership styles on the satisfaction of employees which in turn affect the success of the organization.

1.2. Background of the Organization

PANAFRIC GLOBAL (PAG) is a private limited company that was found in 1993 G.C. It is established to provide a broad range of logistics expertise. **PAG's** Headquarters is located in Addis Ababa around Kazanchis; it has eight branches namely Beherawi Theater, Airport, Kality, Bole Lemi, Adama, Hawassa, Mekelle, and kombolcha. It gives a working opportunity for a total of 164 permanent staff members and about 50-70 temporary staff members. Service types offered by PAG include:

- Logistics Consultation
- Integrated logistics solution
- Transport
- Consolidation
- Warehousing/Storage

- Packing
- Moving and Relocation

PAG'S vision is to be the first choice professional logistics solution provider with distinct service quality. Its mission is to satisfy the national demand and make Ethiopia not only a logistics hub of Africa but also a global logistics player and to have satisfied clients by providing them timely logistics services assisted by modern and advanced information technology solutions. **Values -Always learning:** it provides regular in-house and external training for its employees so that they develop new skills for a challenging environment. **Latest Technology:** Adopt latest technology to provide updated logistic services, IFFS, ERP, and Direct access to Ethiopian Customs portal system. It is fully automated. **Safety & Quality:** Provide safety training to staffs who are exposed to accident and collecting regular feedback from clients regarding its service quality. **Care for Environment:** “We care for the environment and that is why we are planting one tree for one shipment”. By doing this PAG is promoting Go Green!!

PAG has 6 main departments namely: Human resource, Marketing, Finance, operation, Motor pool and Packing and Moving.

1.3. Statement of the problem

Since leadership has a long term impact on the outlook of employees to their job, it should be viewed carefully. Both the behavior of the leader and employees personality play a huge role in the way subordinates response to their leaders (Wexley & Yukl 1984).

Previous studies (Fekadu, 2010, Samson, 2016 and Alemu, & Getnet, 2017) have studied this concept in other sectors of Ethiopia but to the best of my knowledge no research emphasized this relationship in the logistics sector. Panafric Global Plc is a company that provides logistics Consultation, integrated logistics solution, transport service,

Warehousing /Storage service, Packing, Moving and Relocation. This paper focused on the effect of leadership styles on job satisfaction in one of the leading logistics service provider in Ethiopia.

A decreased job satisfaction and desire to leave organization are related (Gioia & Catalano, 2011). For a service provider which aims to satisfy the national demand and make Ethiopia not only a logistics hub of Africa but also a global logistics player, reducing turnover will be a very important issue as it reduces cost of training new hires and helps to reach its goal in a short period of time. PAG's Human Resource Department report of 2016/17 showed that there is low stability of staffs. The report also showed in 2017/18 there was a trend of losing new employees and the year 2018/19 was the year to experience high turnover rate. It can be the result of not coping up with a leadership skill which matches with the rapid change in the world and which in turn affect satisfaction of employees. When people practice a good leadership skill, they can boost satisfaction and make employees to stay in the organization (Kleinman, 2013). So, if an organization wants to achieve a specific goal, it should practice a good leadership skill. As stated in Kennerly (1989), the main sources of company's achievement is leadership and employee job satisfaction. Therefore, for a long-term success the ability of the administration and the improving the leadership has a main role that should not be forgotten (Alemu & Getnet, 2017). As leadership is believed to be one factor that affect organizational success this research paper tried to examine the effect of the leadership styles on job satisfaction of employees which is important to organizational success.

1.4 Research Objectives

1.4.1. General Objective

- The overall objective was to test the effect of leadership styles on job satisfaction in Panafric Global Plc.

1.4.2. Specific Objectives

- To determine the dominant leadership style in the company.
- To test the effect of the Transformational leadership style on job satisfaction in PAG.
- To test the effect of the Transactional leadership style on job satisfaction in PAG.
- To test the effect of the Laissez Faire leadership style on job satisfaction in PAG.

1.5. Research Questions

- What type of leadership style is dominant in PAG?
- What is the effect of Transformational leadership style on job satisfaction in PAG?
- What is the effect of Transactional leadership style on job satisfaction in PAG?
- What is the effect of Laissez-faire leadership style on job satisfaction in PAG?

1.6. Significance of the study

The result of this research would let PAG to find out the practiced leadership style and would be useful for students, researchers and academicians who are pursuing to know the effects of leadership styles on employee satisfaction. Based on this study leadership programs that explains the relationship between leadership style and job satisfaction can be drafted to help leaders to get related skills to achieve better organizational success. The result will help to reveal what type of leadership style to use in what kind of situation to boost development.

1.7. Scope of the study

The scope of this paper aimed at studying the effects of leadership styles which are transformational, transactional and laissez faire on employee job satisfaction.

In this study the dependent variable is employee job satisfaction and the three independent variables are transformational, transactional and laissez faire leadership styles.

Job satisfaction is affected by a range of other factors such as policies and practices, appreciation, organizational culture and so on but the scope of this study is limited factors such as pay, benefits, supervision, promotion, nature of work, and coworkers. PAG has eight branches other than its main office which is found around Kazanchis.

The other branches are located around Beherawi, kality, Airport, and Bole Lemi in Addis Ababa and Adama, Hawassa, Mekelle and Kombolcha branches Outside Addis Ababa.

The locations to conduct this study were the four branches in Addis Ababa (Beherawi, kality, Airport, and Bole Lemi) and the head office around kazanchis. This study used questionnaires to collect data and quantitative research approach. Explanatory and descriptive types of research design methods were used. The researcher used the academic calendar of the university to conduct this study.

1.8. Limitation of the Study

Some constraints were faced by the researcher when conducting the study. The research sample population of this study was taken from employees who work in the four branches in Addis Ababa and the Head office. This affects the generalization of the research findings to the entire PAG employees. The time given to conduct the research was constraint which hinders the researcher to go further.

1.9. Definition of Terms

Leader- is the one inspire others to act by setting good examples (Ferguson, 2009).

Leadership- is the ability to convince people about what to do and the way to do it by making them deeply understand the goal and combining their ability reach a common aim (Gary Yukl, 2006).

Leadership style- the repetition of behavior that is shown when leaders interact with employees (Miller et al., 2002).

Job satisfaction- When one's emotion towards what he/she does is good, we can say that there is Job satisfaction (Locke, 1976).

1.9 Organization of the Study

This research is classified into five chapters. The first chapter comprises a general introduction to the study and what it aims to achieve. The second chapter is literature review including general definition of leadership styles, job satisfaction and details about the relationship between employee satisfaction and leadership styles. Research methods including research design, sampling methods, data collection and analysis methods are included in the third chapter. The fourth chapter provides the presentation of the collected data, data analysis and interpretation. Finally, the fifth chapter, which is the final chapter, contained the summary of findings, conclusion, and recommendations.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

Literature review is a part which is intended to assess the critical points of knowledge in theoretical and empirical related literatures of previous studies. This chapter contains concepts of leadership, leadership theories and styles, concepts of job satisfaction and relationship between leadership style and job satisfaction, and finally conceptual framework is presented.

2.1. The concept of Leadership

When an individual impact a group of people to reach some stated goal it is called leadership (Saleem, 2015). Leadership is about dream and perceptions of the big pictures and change (David, 2009). Yukl (2008) explained leadership as a practice in which someone on purpose put an impact on a group of people in company. Leadership, as defined by Gharibvand (2012) is giving the right direction, motivating and coaching employees, and the way of communication.

As Jacobs and Jaques state in 1990, leader is the one who give help to others to try their best and lift them to achieve targets. Leadership is the process of empowering employees, handling situations in a non-stop way and reaching the desired state by combining with the help of external environment (Yukl, 1994). A person who establishes an association with his juniors for a shared goal is called a Leader (Saad, et al, 2012).

Leadership is the combination of characteristics or personality traits in an individual that forces that person to encourage others to achieve goals that would not normally be accomplished without the inspiration of the leader (David, 2009).

Leadership is a mechanism by which a person controls colleagues working towards the achievement of common objectives. This includes shaping colleagues' involvement and offering feedback on a specific path (Loganathan, 2013).

If a leader is able to inspire and arrange a stage to employee's contribution to the company they belong we can say that he/she has a leadership skill (Cojocar, 2008).

2.2. Leadership Theories

The development of leadership theories are traced with genetic and trait theories of leadership at the beginning then done with transformational leadership theory. The earlier theories often contributed to the development of newer approaches to thinking about leadership in organizations, while subsequent theories attempted to overcome the shortcomings of earlier theories. David, 2009 identifies the following leadership theories.

2.2.1. Trait Theory

According to the trait theory of leadership, leaders tend to have certain recognizable features or personality traits, such as intelligence, dominance, self-confidence, energy, honesty, maturity, and skills in addition to being able to withstand stress. This assumption neglects the possibility that leadership activity and outcomes can influence individual traits and characteristics (David, 2009).

Trait theorists were focused to find common traits that differentiate leaders from non- leaders. However, because of the lack of common traits which distinguish leaders, this theory disapproved (Amanchukwu et al., 2015).

2.2.2. Behavioral Theory

Behavioral theory teaches that the behaviors that leaders demonstrate fall into two categories: consideration; and initiating structure. Consideration includes leadership qualities such as trust, respect, and a good relationship with followers. Initiating structure behaviors include leadership behaviors that helps followers achieve their goals and perform at a high level (David, 2009).

2.2.3. Fiedler's Contingency Theory

Fiedler's Contingency Theory proposes that leader effectiveness depends on both the style of leadership as well as the situational characteristics, and that leaders are either relationship-oriented or task-oriented. Relationship-oriented leaders preferred closer relationships with followers whereas task-oriented leaders favored situations where the task was complex and relationships with followers did not matter as much (David, 2009).

2.2.4. Path-Goal Theory

The Path-Goal Theory proposes that effective leaders motivate their follower through rewarding performance and the accomplishment of goals within time frames set by the task. According to this theory, leaders must communicate effectively to followers what the task is, how it is to be performed, and what rewards can be achieved. Followers must believe they can achieve the task goals and be granted meaningful rewards (David, 2009). According to DeCaro (2005), the theory proposes that as the behavior of leaders is the source of satisfaction for employees, it can be said that the leader is on the right track.

2.2.5. Vertical Dyad-Linkage Theory

The Vertical Dyad-Linkage theory (or Leader Member Exchange Theory) proposes that leadership behavior across subordinates is not consistent and that leaders do not treat their followers the same; instead, leaders build multiple kinds of relationships with different types of followers. Some followers are in what is called the "in-group" and other followers are in what is called the "out-group." Followers in the "in-group" have a more intensive relationship with the leaders than followers in the "out-group." (David, 2009).

2.2.6. Transactional Leadership Theory

In Transactional leadership self-centeredness is central. Transactional leaders operate within the framework of their company and obey existing laws, procedures and operational standards.

In Transactional leadership motivation of employees is achieved by giving incentives (Pearce & Sims, 2002). Finishing the work on hand is the main focus in this theory.

2.2.7. Transformational Leadership Theory

Those who give close supervision and inspire to their subordinates are called a transformational leader (Robbins & Coulter, 2007). It is all about guiding to yield a positive adjustment and caring to others feeling and work to bring happiness to the team. (Warrilow, 2012).

2.3. Leadership Styles

A repetition of manner that leaders show when they work with others is called leadership style (Hersey& Blanchard, 1993). Writings on leadership state that transformational, transactional and laissez-faire as being the three leadership styles now a days (Mester, et al, 2003). Bass and Avolio, 1994 full range of leadership theory contends that there are three type of leadership style which are transformational, transactional and laissez-faire leadership styles.

2.3.1. Transformational Leadership Style

Transformational leadership style is the style of leadership in which leaders encourage followers to surpass their own desires for the good of the organization; a deep and useful influence of leaders is what makes the progress (Alqatawenh, 2018). The emergence of this type of behavior has multiple characters (Abouraia & Othman, 2017) these are: **Individualized consideration** is the level in which leaders draw attention to the growth and development of their subordinates, **Intellectual stimulation** means leaders ability to host new things and dare the existing state, **Inspirational motivation** is revealing the future possibility by increasing motivation of the staffs, **Idealized influence** means being an exemplar leader to encourage staffs.

In the current environment, the leadership style desired is that which encourages subordinates to do their best and improve their skills to make them reach to advanced level (Alqatawenh, 2018). Conger (2002) explains transformational leadership as a style concerned for employees feeling and it is more than just giving incentives and focus on tying their concern to the mission of organization. Trofino (2000) define transformational leadership as creating vivid vision to achieve organizational target.

Kirkan (2011) noted that transformational leadership is a leadership technique used by leaders to improve the current situation by recognizing others who pursue the challenges of the company through motivation, encouragement, and enthusiasm to create a high degree of clear vision for the identification of specific objectives.

2.3.2. Transactional Leadership Style

According to Naidu and Van der Walt (2005) transactional leadership is defined as an exchange-based direction by which the leader exchange motivations or penalty for the job performed by the follower and expects success, commitment and loyalty from the follower in return.

Transactional leaders are using control tactics to fulfill their own self-interest in order to get subordinates to perform ideally.

Tale (2010) indicated that there are three dimensions of transactional leadership. The first dimension, **contingent reward**, means when a leader arrange fulfilling promises in interchange with performance. This leader will specify a goal and expect others to achieve the goal and reward those who achieve it. The second and third dimensions of transactional leadership are two types of **management-by-exception**. Management by-exception takes place when the leader interferes to make adjustment when something goes wrong. The timing of interference is a major factor to distinguish between active and passive management by exception.

Following action of followers, predict issues and giving remedies before it becomes serious is the character of active leaders (Northouse 2004: 179). Passive leaders wait until the behavior becomes a problem before taking measures. A major difference in active and passive management by exception is that looking for a gap actively and waits until the problem is created respectively.

2.3.3. Laissez Faire Leadership Style

In political science the term laissez faire is used to explain to define a dogma of little governmental interference in policy of minimum governmental interference in the economic activities of society. Northouse, (2010) Laissez - faire refers to a “hands-off, let things ride” approach in leadership writings to win over individuals in the workplace. Bass and Avolio (1990) label laissez faire leadership as the nonexistence of leadership and the evasion of intervention. Robbins (2007) described the laissez-fair style as walk out on responsibilities and escape from making resolutions. As per Bass and Avolio (1994), laissez-faire Leadership style is only the nonappearance of a genuine leadership and is a latent and inadequate style in view of the majority of the inquiries about in regards to leadership style. Based on this, laissez-faire is considered as the most powerless and lazy administration structure (Yukl, 2006).

2.4. The Concept of Job Satisfaction

How employees respond for their good feeling and the state of feeling good is called Job satisfaction (Locke, 1976). Mostly it is related with internal and external rewards.

Lawler and Porter (1972) established that not coming to work frequently and staying in the organization for longer periods are influenced by job satisfaction. Lai Wan (2007) wrote that it is important to consider satisfaction of employees to complete targets. When the satisfaction level of employees increases, then this will results in more returns to the organization.

Observation of work, how we feel about the work and the thinking towards our work explains job satisfaction (Spector, 1997). The human resource area focus on this mainly for their satisfaction report (Chang, 1999). Le´vy-Garboua and Montmarquette (2004) defined employee satisfaction as “a directory of feeling for the adopted profession against external chance on information available at time”.

It is concluded by many researchers that, to measure the intentions of an employee towards their workplace, the satisfaction level of employees is applied (Sweeney et al, 2002).

2.5. Determinants of Job Satisfaction

Job satisfaction is a good feeling stage attained while doing a job (Wicker, 2011). Spector (1997) state that job fulfillment means how individuals see their job, if they like what they see they are fulfilled if not it means they are not satisfied. In Spector’s (1994) job satisfaction measuring scale elements like benefits, nature of work, pay, supervision, coworkers, and promotion are included to measure satisfaction.

➤ Nature of Work and Job Satisfaction

Nature of work discusses the degree to which the work itself gives excitement, adds knowledge and promote growth, and the opportunity to handle responsibility (Robbins et.al, 2006).

Thomas (2000) said that meaningful job inspire and satisfy people. Wilson (1999) contends that compatibility between talent and skill and jobs should be created because employees are not entirely the same, in interests and efficiency.

To get to the right job with right position, most people start their career life in jobs which gives them the opportunity for competence and growth.

➤ **Coworkers and Job Satisfaction**

An enjoyable job mostly result from good colleagues. If the work groups are not good, this can result an adverse outcome on job satisfaction (Luthans, 1998). Job satisfaction have found to be affected by a great work group. (Islam & Swierczek, 2003).

➤ **Pay and Job Satisfaction**

Lambert, Hogan and Barton (2001) states that the payment employees receive in the form of salary has a major impact job satisfaction. Employees think that the amount of salary they receive is the replication of how they the company considered their role (Luthans 1998, p.145). If employees thought that they are being paid an appropriate amount for their contribution their skills will improve and they will be satisfied (Locke 1976).

➤ **Benefits and Job Satisfaction**

Leave time, vacations, health, and other compensation packages are some of the benefits which an employee receives. Worker's compensation package is a key part of the employee job satisfaction and it cannot be ignored (Benjamin, 2010).

➤ **Supervision and Job Satisfaction**

Supervision is another major factor of job satisfaction. A leader who listens what an employees has to say, who is friendly and understanding, and recognize and admire his subordinates will result in job satisfaction (Locke, 1976). Manager should build an environment where subordinates get a chance to play an active role in decision-making process and empower them.

➤ **Promotion and Job Satisfaction**

Individual development, increased responsibility and increased social status come from Promotions Individual who thought that promotion decisions are made in a reasonable and just manner, are likely to feel satisfied (Witt & Nye, 1992).

Promotion has a substantial outcome and it is also a key sign of employee job satisfaction (Lambert et al., 2001).

2.6. Relationship between Leadership Style and Job Satisfaction

For a company to achieve success, leadership and employee satisfaction are key factors. Organizational health is achieved by employees who has great job satisfaction. The ability to draw employees to one's company and to make them settle comes from a company which encourages a very high work fulfillment (Voon, et al, 2011). When there is an excellent relationship between leaders and subordinates, job satisfaction and confidence will exist if not the opposite will happen (Brockner, 1988). Leadership style is a significant determinant of employee job satisfaction. Both the personality of leaders and the personality of employees will affect the reaction of employee's to their leaders. (Wexley & Yukl 1984).

According to Wexley and Yukl, 1984, a good leader who gives proper guide is very helpful for the employee who is confused.

2.7. Empirical Literature Review

When the effect is compared between transformational leadership and transactional leadership, the impact of transformational leadership is grander (Awamleh & Al-Dmour, 2004).

A study by Alemu, and Getnet, (2017) on Ethiopian public universities concluded that transformational leadership style affects job satisfaction highly. However, transactional leadership style, and laissez faire leadership style have insignificant impact on job satisfaction.

Consequently, transformational leadership style positively and significantly affect job satisfaction. Transactional and laissez faire styles have insignificant effect.

2.7.1. Transformational Leadership style and Job Satisfaction

Rossmiller (1992) evaluated educators' insights about their head's. As a result, transformational leadership was found to have a significant influence on lecturer's job fulfillment.

A study by Hmidifar (2009) revealed that there is significant positive impact on transformational leadership satisfaction and it affect transactional leadership sometimes.

H1: Transformational Leadership style has a positive significant effect Job Satisfaction

2.7.2. Transactional Leadership style and Job satisfaction

Transactional leader gives incentives to its subordinates who perform well and penalize those who don't work well (Saleem, 2015). Getting steps ahead in position and increasing salary can be considered as incentives and decrease in salary and firing can be ways of penalizing for a transactional leader. All conditions won't result productivity for a transactional leader (Bryant, 2003).

Epitropaki and Martin (2005a) found that from one situation to another situation the effectiveness of transactional and transformational leadership styles differ.

Short term success is one character of transactional leadership (Medley & Larochelle, 1995).

Ohunakin et al, 2016 showed in their study the relationship between the contingent reward (independent variable) and job satisfaction (dependent variable).

The results show a positive and significant relationship between contingent reward and job satisfaction.

H2: Transactional Leadership style has a positive significant effect Job Satisfaction

2.7.3. Laissez Faire Leadership Style and job satisfaction

In Iran, Hamidifar (2009), shows that Iran leadership styles (the independent variable) influence employee job satisfaction (the Dependent variable).

Both transformational and transactional leadership styles were major leadership styles. In general, the results show that there is a negative and significant relationship between laissez-faire leadership and employee job satisfaction. The result shows that employees are not fulfilled with laissez-faire leadership.

H3: Laissez faire Leadership style has a negative significant effect Job Satisfaction.

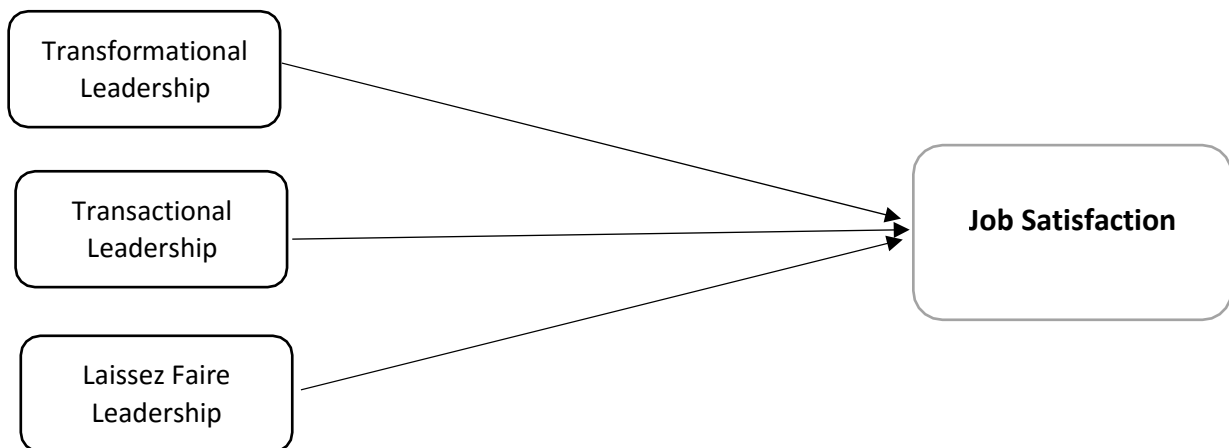
2.8. Conceptual Framework

The conceptual frame work as shown on figure 2.1 shows the independent (predictor) variables and dependent (predicted) variable.

Figure 2.1 Conceptual Framework

Independent Variables

Dependent Variable



Source: Developed by the Researcher, 2020

CHAPTER THREE: RESEARCH METHODOLOGY

This chapter describes the research design and approach, population of the study, sample size determination, sampling design, source of data and collection method, method of data analysis, ethical consideration and the measurement of reliability and validity.

3.1. Research Approach

Quantitative research approach was used in this study. The reason to use quantitative approach is that it is not based on feelings and personal reports rather the researcher would follow clear objectives and guidelines since it is based on hypothesis testing.

3.2. Research Design

A research design is the ‘procedures for collecting, analyzing, interpreting and reporting data in research studies’ (Creswell & Plano Clark 2007). There are three possible forms of research design: exploratory, descriptive and explanatory. This study used descriptive and explanatory research design to describe what is happening in more detail and in order to help to find the problem that was not studied before in depth. In addition explanatory research design provides evidence to support the predictions or the hypothesis. Exploratory research is conducted when enough is not known about a phenomenon and a problem that has not been clearly defined.

3.3. Population and Sample

3.3.1. Population and Target population of the study

PAG gives a working opportunity for a total of 164 permanent staff members and about 50-70 temporary staff members which is the total population of the study. The total number of employees in Addis Ababa represent the target population for this study.

3.3.2. Sampling Design

Sampling is the technique of choosing a symbolic subset of the population which is called sample. There are mainly two types of sampling designs; probability sampling and non-probability sampling. In probability sampling, samples have a known and non-zero chance of being chosen. On the other hand in Non-probability sampling there is no way of estimating the probability of an element being included in the sample. In this study the researcher used a probability sampling design part which is simple random sampling.

3.3.3. Sampling Technique

By using simple random sampling technique of probability sampling in which each element of the total number of population has an equal chance of being selected, all the permanent staffs in the four branches (Beherawi, Airport, Bole Lemi and Kality) in Addis Ababa and the Head office were the focus of the study with a total sampling frame of 140 employees.

3.3.4. Sample Size and Sample Size Determination

The researcher tried to draw representative sample using Yumane's formula (Yumane, 1964) guided in selecting the appropriate sample size for PAG employees selected in the study. The working sample was guided by Yumane's formula. Researchers normally work to a 95 per cent level of certainty and 5% acceptable sampling error.

N

$$n = \frac{N}{1 + N(e^2)}$$

$$1 + N(e^2)$$

Where;

n = the sample size

N= the population

e²= estimated standard error which is 5% for 95% confidence level

$$n=140/ (1+140(0.05)^2)$$

n=103.7≈104 which is the sample size for this study.

3.4. Data Collection

3.4.1. Source of Data

All the necessary data were gathered from the primary and secondary source. The primary data was gathered through questionnaires from the employees of PAG on the effect of leadership style on job satisfaction and secondary source is through books, journals, and company related documents.

3.4.2. Data Collection Instruments

The study used close-ended questionnaires to review leadership style and its impact on employee satisfaction. Bass and Avolio, 2004, Multifactor Leadership Questionnaire (MLQ), was applied to cover transformational, transactional and Laissez faire leadership styles and Spector (1994), job satisfaction scale (JSS) was applied to measure factors like coworkers, promotion, pay, supervision, nature of work, and benefits. The questionnaire was modified to fulfill the context of the study and was prepared to answer research questions stated under chapter one. Likert scale, five point rate was adopted to rate the responses.

3.5. Methods of Data Analysis

The data that were obtained from the questionnaire response was assessed and analyzed using SPSS version 26.

Furthermore the regression analysis was conducted to determine by how much percent the independent variable (Leadership style) explains the dependent variable (Job Satisfaction) and to test the significance level.

3.6. Validity and Reliability

When their result is steady and consistent, instruments are said to be reliable. The instruments measured what was intended to measure in a consistent manner. For this study the widely used Cronbach Alpha was used to measure internal reliability for tests with multiple possible answers. Internal reliability or consistency is a measure of how well the test is actually measuring what it wants to measure.

Validity refers to appropriateness of meaning and usefulness of inferences researcher make based on the data he/she collects. It refers to the degree to which evidence supports any inference the researcher makes based on data he or she collects using a particular instrument. The validity of the study was confirmed through the use of review literatures and use of instruments used by other researchers.

3.7. Ethical Consideration

The researcher addressed ethical considerations of confidentiality and privacy throughout the research process. A written guarantee was given to the respondents that their names will not be revealed in the questionnaire and in the research report. Participation in the study was made only voluntarily and also participants were assured that their responses will be kept confidentially and only be used for the purpose of this study. Furthermore, I at my best level tried to abide by the rules and regulations of the university and conduct the study on the basis of objective judgment.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

In this chapter, the researcher attempted to analyze and examine the effects of leadership style on Job satisfaction in the case of Panafric Global PLC. Even though the sample size was 104 only 90 were properly filled and returned.

The data analysis was performed using of SPSS software Version 26. The demographic analysis was conducted by using frequencies and percentages. The mean and standard deviation of the independent and dependent variables was tested by descriptive analysis. Regression analysis was also used to explain how much the selected leadership styles had an effect on the dependent variable Job satisfaction.

4.1. Demographic Background of Respondents

The frequencies and percentages of the demographic variables of the study are presented in the following table and analyzed.

Table 4 1: Demographic Background of Respondents

Item	Category	Frequency	Percentage
Gender	Male	61	67.80%
	Female	29	32.20%
	Total	90	100%
Position	Managerial	15	16.70%
	Nom-Managerial	75	83.30%
	Total	90	100%

Age	18-25 Years	21	23.30%
	26-34 Years	45	50%
	35-44 Years	15	16.70%
	45-54 Years	9	10%
	Total	90	100%
Education	Certificate or Diploma	11	12.20%
	BA/BSc Degree	60	66.70%
	MA/MSc Degree	19	21.10%
	Total	90	100%
Work Experience	1-5 Years	38	42.30%
	6-10 Years	30	33.30%
	11-15 Years	20	22.20%
	16-20 Years	2	2.20%
	Total	90	100%

Source: Own Survey 2020

According to Table 4.1, 61 (67.8%) of the total PAG respondents were male while 29 (32.2%) were female. Hence, the number of male respondents is greater than that of the female respondents. It can be inferred that the majority of the respondent involved in the survey were male.

With respect to job Position of respondents, Table 4.1 shows that 15 (16.7%) respondents are managerial while 75 (83.3%) are in the non-managerial position.

Most of the respondents in PAG are in the non-managerial job position. As position is high, benefits will also be higher therefore more satisfaction and the vice versa.

As indicated in Table 4.1 above, regarding the age distribution of the respondents, 21 (23.3%) and 45 (50%) fell in the 18-25 and 26-34 age range respectively. 15 (16.7%) of the respondents fell in 35-44 and 9(10%) fell in the 45-54. From the above data, it can be inferred that 50% of those who filled the questionnaire are between 26 and 34 years, thus this means that the respondents are mostly young. Furthermore, the number of respondents above 45 years is low. The chance of being stable in one company and easily being satisfied with their job is less likely to happen for the young age group.

Educational background of respondents shows 11 (12.2%), 60 (66.7%), and 19 (21.1%) have Certificate or Diploma, BA/BSc Degree and MA/MSc Degree respectively. Therefore, the data shows that most of the respondents in PAG are BA/BSc Degree holders. The more educated employees are the more opportunities they get outside of the company, therefore more effort might be needed to keep them satisfied.

In relation to years of service, it was found out that 38 (42.3%) and 30 (33.3%) fell in the 1-5 and 6-10 years' range respectively. A number of 20 (22.2%) and 2 (2.2%) fell in 11-15 years and 16-20 years respectively. It is shown that the many (42.3%) of the respondents have less than 5 years of experience in PAG. Those who stayed in the company longer are more likely satisfied when compared with those who have less year of service in the company. A high percentage of the respondents in PAG have less than 5 years' experience. Leaders in PAG might need work on making them stay longer by considering the factors of job satisfaction.

4.2. Descriptive Statistics of overall Leadership styles

To determine the perception of PAG staff members on leadership styles descriptive statistics of mean and standard deviation was used to analyze the quantitative data. The full range leadership model entails transformational, transactional, and laissez-faire dimensions of leadership styles (Bass & Avolio, 1994). Table 4.2 provides a visual illustration of the three variables of the full range leadership theory, together with an overall view of the perceived leadership style. The scale used in the statements was 1- Never, 2- Seldom, 3-Sometimes, 4- Almost Always, and 5- Always.

Table 4.2. Descriptive Statistics for overall Leadership Styles

	N	Mean	Std. Deviation
Transformational Leadership Style	90	2.8463	.62771
Transactional Leadership Style	90	2.7519	.69878
Laissez Faire Leadership Style	90	2.7741	.65738

Source: Own Survey 2020

Table 4.2 is designed to show which style has been practiced as the dominant leadership style by the managers of PAG by computing the mean scores. And as a result transformational leadership was found to have the mean score of 2.846 and standard deviation of 0.627 followed by Laissez Faire leadership style by mean score of 2.774 and Standard Deviation of 0.657 and Transactional leadership style has a mean score 2.751 and Standard Deviation 0.657. Therefore, because all the three types of leadership have nearly the same mean score we can say that all of them are practical in PAG and there is no clear dominant leadership style.

4.3. Analysis of Leadership styles

This section presents the responses of employees on Transformational leadership, Transactional leadership and Laissez faire leadership questions presented in frequency and percentage.

Table 4.3. Frequency and Percentage - Transformational leadership style

Statement	Frequency and Percentage						Total	
	N and %	Never	Seldom	Some times	Almost Always	Always	N	%
Seeks different perspectives when solving problems	N	10	23	30	19	8	90	
	%	11.1	25.6	33.3	21.1	8.9		100%
Talks optimistically about the future	N	13	15	47	13	2	90	
	%	14.4	16.7	52.2	14.4	2.3		100%
Instills pride in me for being associated with him/her	N	6	29	31	19	5	90	
	%	6.7	32.2	34.4	21.1	5.6		100%
Acts in a way that builds my respect	N	3	33	35	9	10	90	
	%	3.3	36.7	38.9	10	11.1		100%
Goes beyond self-interest for the good of the group	N	5	18	38	26	3	90	
	%	5.6	20	42.2	28.9	3.3		100%
Displays a sense of power and confidence	N	9	30	36	12	3	90	
	%	10.1	33.3	40	13.3	3.3		100%

Source: Own Survey 2020

As indicated in table 4.3, for the statement “Seeks different perspectives when solving problems”, most of the respondents (33.3%) responded sometimes and least of them (8.9%) answered almost always.

For the statement “Talks optimistically about the future” most of the respondents (52.2%) answered sometimes and least of them (2.3%) responded almost always. For the statement “Instills pride in me for being associated with him/her”, most of the respondents (34.4%) responded sometimes and least of them (5.6%) replied always. Most of the respondents (38.9%) and least of them (3.3%) responded sometimes and never respectively for the statement “Acts in a way that builds my respect”. For the statement “Goes beyond self-interest for the good of the group” most of the respondents (42.2%) responded sometimes and least of them (3.3%) replied always. For the last statement “Displays a sense of power and confidence” most of the respondents (40%) responded sometimes and least of them (3.3%) replied always.

Table 4.4 Frequency and Percentage - Transactional Leadership Style

Statement	Frequency and Percentage						Total	
	N and %	Never	Seldom	Some times	Almost Always	Always	N	%
Provides me with assistance in exchange for my Efforts.	N	14	22	29	21	4	90	
	%	15.6	24.4	32.2	23.4	4.4		100%
Re-examines critical assumptions to question whether they are Appropriate	N	12	18	42	15	3	90	
	%	13.3	20.0	46.7	16.7	3.3		100%
Makes it clear on what one can expect to receive when performance goals are achieved	N	9	32	29	17	3	90	
	%	10.0	35.6	32.2	18.9	3.3		100%
Expresses satisfaction when I meet expectations	N	7	34	32	9	8	90	
	%	7.7	37.8	35.6	10.0	8.9		100%

Discusses in specific terms on who is responsible for achieving performance targets.	N	7	27	35	19	2	90	
	%	7.8	30.0	38.9	21.1	2.2		100%
As long as things are working, my supervisors do not try to change anything	N	10	27	36	11	6	90	
	%	11.1	30.0	40.0	12.2	6.7		100%

Source: Own Survey 2020

As indicated in table 4.4, for the statement “Provides me with assistance in exchange for my Efforts”, most of the respondents (32.2%) responded sometimes and least of them (4.4%) answered almost always. For the statement “Re-examines critical assumptions to question whether they are Appropriate”, most of the respondents (46.7%) answered sometimes and least of them (3.3%) responded always. For the statement “Makes it clear on what one can expect to receive when performance goals are achieved”, most of the respondents (35.6%) responded seldom and least of them (3.3%) replied always. Most of the respondents (37.8%) and least of them (7.7%) responded seldom and never respectively for the statement “Expresses satisfaction when I meet expectations”. For the statement “Discusses in specific terms on who is responsible for achieving performance targets”, most of the respondents (38.9%) responded sometimes and least of them (2.2%) replied always. For the last statement “As long as things are working, my supervisors do not try to change anything”, most of the respondents (40%) responded sometimes and least of them (6.7%) replied always.

Table 4.5. Frequency and Percentage- Laissez Faire Leadership Style

Statement	Frequency and Percentage						Total	
	N and %	Never	Seldom	Some times	Almost Always	Always	N	%
Avoids getting involved when important issues arise	N	13	21	33	18	5	90	
	%	14.4	23.3	36.7	20.0	5.6		100%
Fails to interfere until problems become serious	N	11	19	45	14	1	90	
	%	12.2	21.1	50.0	15.6	1.1		100%
Is absent when needed	N	8	28	31	22	1	90	
	%	8.9	31.2	34.4	24.4	1.1		100%
Shows that he/she is a firm believer in "If it isn't broken, don't fix it"	N	7	33	32	12	6	90	
	%	7.8	36.7	35.6	13.2	6.7		100%
Delays responding to urgent questions	N	7	22	34	25	2	90	
	%	7.8	24.4	37.8	27.8	2.2		100%
Avoids making decisions	N	9	29	36	13	3	90	
	%	10.0	32.2	40.0	14.5	3.3		100%

Source: Own Survey 2020

As indicated in table 4.5, for the statement “Avoids getting involved when important issues arise”, most of the respondents (36.7%) responded sometimes and least of them (5.6%) answered almost always. For the statement “Fails to interfere until problems become serious” most of the respondents (50%) answered sometimes and least of them (1.1%) responded always. For the statement “Is absent when needed”, most of the respondents (34.4%) responded sometimes and least of them (1.1%) replied always.

Most of the respondents (36.7%) and least of them (6.7%) responded seldom and always respectively for the statement “Shows that he/she is a firm believer in if it isn't broken, don't fix it”. For the statement “Delays responding to urgent questions” most of the respondents (37.8%) responded sometimes and least of them (2.2%) replied always. For the last statement “Avoids making decisions” most of the respondents (40%) responded sometimes and least of them (3.3%) replied always.

4.4. Descriptive Statistics of overall Job Satisfaction

Descriptive analysis using mean and standard deviation is conducted on Job satisfaction indicators. For this study the indicators for the job satisfaction of PAG employees are measured in terms of Nature of work, Coworkers, Pay, Benefits, Supervision, and Promotion.

The response was made based on the respondent level of agreement using Likert scale which ranged from strongly agree to strongly disagree.

Table 4.6. Analysis of Overall Job satisfaction

	N	Mean	Std. Deviation
Nature of work	90	3.4444	.73799
Coworkers	90	3.6222	.67483
Pay	90	2.3833	.77187
Benefits	90	2.4944	.68693
Supervision	90	3.3944	.54306
Promotion	90	2.5000	.72959

Source: Own Survey 2020

From the above table, PAG employees have better-quality in Coworkers relationship with mean value of 3.622. Nature of work and Supervisory practice in PAG is also at moderate level with the mean value of 3.444 and 3.394 respectively followed by promotion with mean value of 2.500 which indicate PAG employees are less satisfied internally with their carrier development. From the benefit and pay job satisfaction indicators, PAG employees are dissatisfied with their benefit with mean value of 2.494 followed by pay which is 2.383.

4.5. Multiple Regression Analysis

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

Table 4.7. Model Summary

Model Summary				
Model	R	R square	Adjusted R Square	Std. Error of the Estimate
1	.450 ^a	.203	.175	.26653

Source: Own Survey 2020

The coefficient of determination denoted by R Square is a key output of regression analysis. It is interpreted as the proportion of the variance in the dependent variable that is predictable from the independent variable. An R square of 0 means that the dependent variable cannot be predicted from the independent variable. An R square of 1 means the dependent variable can be predicted without error from the independent variable. An R square between 0 and 1 indicates the extent to which the dependent variable is predictable.

The independent variable can predict the dependent variable by 17.5% (the adjusted R square). The remaining percent indicate that job satisfaction is predicted by other factors other than these three leadership styles.

Table 4.8. ANOVA Table

ANOVA ^a					
Model	Sum Squares	Df	Mean Square	F	Sig.
1					
Regression	1.555	3	.518	7.295	.000 ^b
Residual	6.110	86	.071		
Total	7.664	89			

a. Dependent Variable: Job Satisfaction b. Predictors: (Constant), transformational, transactional, laissez faire

The question “is the model significant?” can be answered by ANOVA table. In the above table Sig. is (0.000), $p < 0.05$, therefore the model is significant.

Table 4.9. Coefficient

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
1	B	Std. Error	Beta		
(Constant)	2.395	.139		17.218	.000
Transformational	.236	.065	.505	3.620	.000
Transactional	.124	.080	.296	1.546	.126
Laissez Faire	-.157	.101	-.352	-1.563	.122

a. Dependent Variable: Job Satisfaction

The study clearly shows that transformational leadership style has more effect on employee satisfaction. The standardized coefficient (Beta= 0.236) implies that transformational leadership contribute more to employee’s satisfaction positively. In other words, when transformational leadership is practiced there will be 23.6% increase on employee’s job satisfaction. Transformational leadership has a p value of 0.00, which indicates that it has significant effect on job satisfaction because $p < 0.05$. Next to transformational leadership, transactional leadership affects job satisfaction positively indicated by the standardized coefficient (Beta= 0.124).

Transactional leadership has a p value of 0.126, which indicates that it has insignificant effect on job satisfaction because $p > 0.05$. Finally, laissez-faire leadership affects satisfaction negatively, indicated by the standardized coefficient (Beta= -0.157). Laissez faire leadership has a p value of 0.122, which indicates that it has insignificant effect on job satisfaction because $p > 0.05$.

4.6. Reliability Test

In this study Cronbach alpha calculation was performed. The value between 0.70 to 0.90 shows high reliability, 0.50 to 0.70 shows moderate reliability, and 0.5 and below shows low reliability (Perry et al, 2004).

Table 4.10. Summary of Cronbach’s alpha Values

Variables	No. of Questions	Values
Transformational Leadership	6	0.679
Transactional Leadership	6	0.772
Laissez Faire Leadership	6	0.752
Job Satisfaction	24	0.561

Source: Own Survey 2020

4.7. Hypothesis Testing

H1: Transformational Leadership style has a positive significant effect Job Satisfaction.

As presented in table 4.9 above, transformational leadership has a positive effect on Job satisfaction of PAG employees with Beta = 0.236, at $p=0.000$, ($p < 0.05$). The beta value (0.236) shows as one-unit increase in transformational leadership there will be 23.6% increase on job satisfaction and $p=0.000$ shows significant effect of transformational leadership on Job satisfaction. Therefore, the researcher accepts the hypothesis.

H2: Transactional Leadership style has a positive significant effect Job Satisfaction.

The results of multiple regressions, as presented in table 4.9 above, revealed that transactional leadership has a positive effect on Job satisfaction of PAG employees with Beta = 0.124, at $p=0.126$, ($p > 0.05$). $P= 0.126$ shows insignificant effect of transactional leadership on Job satisfaction. Therefore, the researcher rejects the hypothesis.

H3: Laissez faire Leadership style has a negative significant effect Job Satisfaction.

The results of multiple regressions, as presented in table 4.9 above, revealed that laissez faire leadership has a negative effect on Job satisfaction of PAG employees with Beta = - 0.157, at $p=0.122$, ($p > 0.05$). $P=0.122$ shows insignificant effect of laissez faire leadership on job satisfaction. Therefore, the researcher rejects the hypothesis

CHAPTER FIVE; SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

Bass and Avolio, 1994 full range of leadership theory is used. The three leadership styles are Transformational, Transactional and Laissez Faire. And for the purpose of analysis, the job satisfaction was measured in terms of Nature of work, coworker's relation, pay, benefit promotion, and supervision. In this chapter the summary of the findings from the analysis are presented. Conclusions and recommendations are drawn based on the result.

5.1. Summary of Findings

The study aimed to determine the effect of leadership styles and Job satisfaction among the employees of PAG. It also targeted to identify whether there was a relationship between leadership styles and job satisfaction.

From the demographic table we can tell that the respondents were 61 male and 29 female. It showed the number of male respondent is greater than female respondents. Regarding the age distribution of the respondents, 21 (23.3%) and 45 (50%) fell in the 18-25 and 26-34 age range respectively, thus this means that most of the respondents are young. The chance of being stable in one company and easily being satisfied with their job is less likely to happen for the young age group. Therefore, since most of the employees in PAG are young, it needs to do some work in keeping them satisfied. Most of the respondents in PAG (83.3%) are in the non-managerial job position. As position is high, benefits will also be higher therefore more satisfaction. PAG should consider the promotion aspect of job satisfaction.

Educational background of respondents shows that 11 (12.2%), 60 (66.7%), and 19 (21.1%) have Certificate or Diploma, BA/BSc Degree and MA/MSc Degree respectively. It can be inferred that the majority of the respondents are BA/BSc Degree holders.

The more educated employees are the more opportunities they get outside of the company, therefore more effort might be needed to keep them satisfied. More than 75% of the respondents have less than 10 years of experience. Those who stayed in the company longer are more likely satisfied when compared with those who have less year of service in the company. Leaders in PAG might need work on making them stay longer by considering the factors of job satisfaction. Based on the objectives of the study, attempts have been made to give answers to previously stated research questions:

There is no clear dominant leadership style in PAG. All of the three leadership styles are practiced nearly in the same level.

Transformational leadership style with a standardized beta of 0.236 and $p=0.000$, $p<0.05$ has a positive and significant effect on the job satisfaction of PAG employees.

Transactional leadership style with a standardized beta of 0.124 and $p=0.126$, $p>0.05$ has a positive and insignificant effect on the job satisfaction of PAG employees.

Laissez-faire leadership style with a standardized beta of -0.157 and $p=0.122$, $p>0.05$ has a negative and insignificant effect on the job satisfaction of PAG employees.

In general, the factor which had relatively highest effect on the overall job satisfaction was transformational leadership style. Transactional and Laissez faire leadership styles have insignificant effect on the job satisfaction of PAG employees.

5.2. Conclusion

As the regression analysis showed the leadership style that has significant effect for the employee's job satisfaction is transformational leadership style. Transformational leaders lead to develop and encourage workers intellectually and creatively, as well as to transform their own concerns into an essential part of the organization's mission.

Employees of PAG are relatively more satisfied with the work they perform, the relationship with their colleagues and by the supervision they get from their leaders. They are less satisfied with the payment and the benefits they receive and their chance of promotion.

To raise employee's job satisfaction, and to enhance organizational success the PAG leaders need to focus on improving the quality of the transformational leadership as it significantly affect job satisfaction and work on determinants of job satisfaction in which PAG employees are less satisfied with. Therefore, it can be concluded that transformational leadership style has a positive and significant effect on the satisfaction of PAG employees and it is a better suit than Transactional and Laissez faire leadership styles whose effects are insignificant on job satisfaction.

5.3. Recommendations

The findings encourage PAG to put an effort in hiring transformative leaders because their characters increase employee job satisfaction. PAG leaders should focus on treating their workforce, making desirable changes around the company and be concerned about subordinates feeling.

Based on the findings of this study, PAG should work on improving job satisfaction factors in which the employees are less satisfied with. From the findings pay and benefits followed by promotion are the factors in which PAG employees are less satisfied with. Therefore, as human resource is a major factor for organizational success PAG leaders should work on satisfying their human resource.

In addition PAG should conduct job satisfaction surveys from time to time and take counteractive actions on areas that need improvement.

Extensive training in leadership-related programs needs to be planned and conducted regularly. Effective training in transformational leadership needs to be based on theory of transformational leadership and specific actions plans in order to achieve the necessary leadership behaviors.

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APPENDIX



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY!

Addis Ababa University
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COLLEGE OF BUSINESS AND ECONOMICS

SCHOOL OF COMMERCE

Questionnaire to be filled by employees of Panafric Global PLC

Purpose: This questionnaire is proposed to gather primary data on “The Effect of leadership Style on Job Satisfaction in Panafric Global PLC“. The purpose of the study is to fulfill a project work requirement for the partial fulfillment of MA in Business Leadership at Addis Ababa University. Your sincere responses for the questions are very important for the success of completing this study. All information collected through the questionnaire will be used only for the purpose of the study and will be kept confidential. Accordingly, I would like to thank you in advance for your volunteer participation.

Thank you, for your support!!

HELINA MESFIN

Email: hmesfin477@gmail.com

Mobile; 0912-87-87-48

Section I. Demographic Information

1. Gender (1) Male

(2) Female

2. Current Position within the organization

(1) Managerial

(2) Non -managerial

3. Age

(1) 18-25years

(3) 35 – 44 years

(2) 26 – 34 years

(4) 45 – 54 years

(5) 55 years and above

4. Current Educational Level

(1) Certificate or diploma

(3) MA/MSc Degree

(2) BA/BSc Degree

(4) PHD

(5) Others

5. Service Year in the organization

(1) 1 – 5 years

(3) 11 – 15 years

(2) 6 – 10 years

(4) 16 – 20 years

(5) >20 years

Section II Questions on Leadership Styles

The sets of statements aimed at helping you assess your feelings or perceptions of the leadership style of your immediate supervisor. You are requested to rate your supervisor against each statement to indicate your level of agreement with what the statement is suggesting. Please tick (✓) your preferences on the 5 point Likert scale prepared for this purpose.

1=Never, 2=Seldom, 3=Sometimes, 4=Almost Always, 5=Always

No	Statement	(1)	(2)	(3)	(4)	(5)
<i>The person I am rating</i>						
Transformational Leadership						
1	Seeks different perspectives when solving problems					
2	Talks optimistically about the future					
3	Instills pride in me for being associated with him/her					
4	Acts in a way that builds my respect					
5	Goes beyond self-interest for the good of the group					
6	Displays a sense of power and confidence					
Transactional Leadership						
1	Provides me with assistance in exchange for my efforts.					
2	Re-examines critical assumptions to question whether they are Appropriate					
3	Makes it clear on what one can expect to receive when performance goals are achieved					
4	Expresses satisfaction when I meet expectations.					
5	Discusses in specific terms on who is responsible for achieving performance targets.					
6	As long as things are working, my supervisors do not try to change anything					
Laissez Faire Leadership						
1	Avoids getting involved when important issues arise					
2	Fail to interfere until problems become serious					
3	Is absent when needed					
4	Shows that he/she is a firm believer in "If it isn't broken, don't fix It.".					

5	Delays responding to urgent questions					
6	Avoids making decisions					

Source- Multi-factor Leadership Questionnaire(MLQ) Rater Form, Bass and Avolio,2004

Section III Questions on Job Satisfaction

These questions are aimed to measure your perception of job satisfaction in the company. Please make a “√” mark on your response to each statement according to the five point scale labeled at each statement

1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

No	Statement	(1)	(2)	(3)	(4)	(5)
Nature of Work						
1	I sometimes feel my job is meaningless					
2	I like doing the things I do at work					
3	I feel a sense of pride in doing my job					
4	My job is enjoyable					
Coworkers						
1	I like the employees I work with					
2	I find I have to work harder at my job because of the inability of employees I work with					
3	I enjoy my co-workers					
4	There is too much arguing and fighting at work					
Pay						
1	I feel I am being paid a fair amount for the work I do					
2	Raises are too few and far between					
3	I feel appreciated and valued by the organization when I think about my payment.					
4	I feel satisfied with my chances for salary increases					
Benefits						
1	I am not satisfied with the benefits I receive					
2	The benefits we receive are as good as most other organizations offer					
3	The benefit package we have is fair					

4	There are benefits we do not have which we should have					
Supervision						
1	My supervisor is quite competent in doing his or her job					
2	My supervisor is unfair to me					
3	My supervisor shows too little interest in the feelings of employees					
4	I like my supervisor					
Promotion						
1	There is too little chance for promotion on my job					
2	Those who do well on the job stand a fair chance of being promoted					
3	Employees get ahead as fast here as they do in other organizations					
4	I am satisfied with my chances for promotion					

Source-Job satisfaction survey (JSS) by Paul E. Spector 1994